

VOLUME 162

THE ANNALS

*of The American Academy of Political
and Social Science*

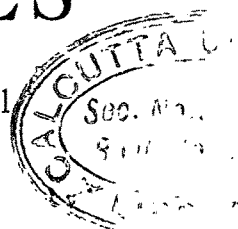
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NATIONAL AND WORLD POLITICS

Edited by

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PAPERS PRESENTED TO THE
PACIFIC SOUTHWEST
ACADEMY

THE PRESS AS A FACTOR
IN INTERNATIONAL
RELATIONS

PHILADELPHIA
1932

FOREIGN AGENTS

ENGLAND: P. S. King & Son, Ltd., 2 Great Smith Street, Westminster, London, S. W.

FRANCE: L. Larose, Rue Soufflot, 22, Paris.

GERMANY: Mayer & Müller, 2 Prinz Louis Ferdinandstrasse, Berlin, N. W.

ITALY: Libr. Intern. Fratelli Treves, Galleria Vitt. Em. 66-68, Milan.

SPAIN: E. Dossat, 9 Plaza de Santa Ana, Madrid.

SWITZERLAND: Librairie Kundig, Place du Lac, 1, Geneva.

CHINA: The Chinese-American Publishing Company, 78 Nanking Road, Shanghai.

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OF POLITICAL AND SOCIAL SCIENCE

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FOREWORD

IN ARRANGING the Thirty-sixth Annual Meeting of the American Academy, the officers chose as a general topic "National and World Planning." Planning is not new, since some attempt at foresight and guidance has always been necessary. Recent developments, however, have forced us to see that more comprehensive planning has become a necessity. Our modern social machine is now too intricate for automatic operation. The Russian five-year plan has dramatized the situation and stimulated our thought on a problem that would in any case have soon demanded our attention.

A curious feature of this development is that national planning has become a necessity just at the time when strictly national planning is an impossibility. Any one country can proceed with its affairs in an isolated manner only so long as its contacts with other countries are moderate both in number and in complexity. In fact, detailed national planning was not very important, or at least it was not vitally necessary, until world intricacy became so great as in these post-war years. Now no nation can proceed effectively without organized control and direction. But this national planning will lead only to chaos unless each national group makes proper allowance for every other. Isolated national planning will be disastrous. International adjustments are necessary. World planning has become imperative.

As an introduction to this volume, which contains the Proceedings of the Thirty-sixth Annual Meeting, it is peculiarly appropriate to include a letter received from the late M. Albert Thomas. He wrote as Director of the International Labor Office, to which he had devoted the better part of his life, and his message is reproduced with only a few minor omissions of a personal nature.

ERNEST MINOR PATTERSON

March 18, 1932

Dear Dr. Patterson:

Many thanks for your letter of 3 February. I am very glad indeed that you have in Mr. Magnusson, who is attending the Annual Meeting of your Academy on my behalf, a personal friend. I am sure he will derive much interest from your meeting. He will no doubt be able to contribute to the discussion which I see you are having on "Public Works and Unemployment,"—a subject in which the Office has been interested since it was set up—by informing the meeting of what we are seeking to do here in stimulating governments to prepare and send in programmes of public works which they wish to carry out and which can be co-ordinated in such a manner as to present international interest. This applies particularly to the improvement of communications in Europe. A Technical Committee of the League of Nations will shortly have to examine a certain number of these proposals.

Apart from those submitted by governments, I personally am taking a keen interest in schemes which individual economists or private organizations are evolving. These are as a rule much more ambitious. Mr. Delaisi, a French economist, aims at improving the standard of living of the sixty million or so peasants in Eastern Europe who now live almost outside the system of economic exchanges, by enabling them to receive a larger share of the sale price of their

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produce and by getting manufactured goods through to them cheaper. It involves, amongst other measures, a vast network of small secondary roads, an organized system of agricultural credit. There are also schemes which have been evolved for the building of special motor roads for fast traffic through Europe. Other proposals have been formulated for the linking up of the different power systems so as to create a European network for the distribution of high tension electric energy.

By such means as these a policy of public works can be used as a first step towards the development of a planned economy and as an instrument for improving the standard of living, securing a more efficient economic system and for strengthening the ever-growing interdependence of the States of Europe.

You ask me for my reactions to "world planning." I have for years been an enthusiastic advocate of this idea, and I need therefore scarcely add that I am most heartily in agreement with your statement that "national planning will not be able to get very far or be very effective in any country without due reference to conditions in other countries." In fact, I consider this statement rather too mild. National planning, if carried out country by country and without international coördination, may well prove extremely dangerous in that competition between such planning units can lead to economic and political strife.

At present nobody faced with the terrible disequilibrium between the capacity of production and actual demand, faced with the paradox of want amidst plenty, can deny the absolute necessity for planning on a world scale. I have this year made this the main theme of my Annual Report to the International Labour Conference, of which I shall have much pleasure in sending you a copy when published.

In my mind, economic planning must cover a very wide field. Recent experience has shown how important it is to be able to control nationally and internationally our monetary systems and not leave our standard of value and the volume of instruments of payment more or less to chance. The production of raw materials provides another case in which planning on a world-wide scale has proved itself to be essential. This is shown by the conferences which have discussed the production of sugar, wheat, copper, etc. But here I think there is a grave danger to be avoided. There seems to me to be rather a tendency for production to be curtailed, in the interests of the producing firms, to the possibility of current consumption or that part of man's desires to which he is able to give monetary expression. Don't you consider that greater progress would result if means could be devised by which all man's wants might be satisfied within the limitations imposed by the capacity of production, limitations which certainly are not active just now, except in Russia and the East?

If one takes this standpoint, it would seem that the most urgent questions to be studied in connection with world planning are, *inter alia*, the following: What are the commodities which would be consumed if consumers had rather more purchasing power? Can things be so arranged that people can dispose of enough means of payment to be able to consume these commodities? It is only when such a demand has grown up that the question of the technical possibility of satisfying it arises. At present, at least in Western Europe and America, this problem does not present any extraordinary difficulties.

There are many other points which I should like to raise but can scarcely do so within the limits of this letter, in which I am only just putting down some of my impressions, without attempting to go into them in any detail.

I trust that the discussion at the Annual Meeting of your Academy will lead to fruitful results.

Yours sincerely,

(Signed) ALBERT THOMAS

Can Planning Be Effective without Control?

By WALLACE B. DONHAM

THE word "control" has come to have, in the minds of many, a special meaning, so that when one speaks of controls in a capitalistic society, he thinks in terms of control of the actions of individuals and industries directly imposed by either government or business through trade associations or super-corporations, and that control going to the point of determining the actions of individuals in varying degrees of detail. For example, many of the discussions bring out the importance of controlling production; others, the importance of allowing controls of price by industry or imposing controls of price policies by government.

AUTOCRACY NOT DESIRABLE

Control in this specialized meaning is opposed to individualism. There is, of course, and has been for a long period of time, a slow increase, as society has become more complex, in the degree and extent of general rules laid down under which the game is to be played. That tendency I believe will increase; and my own thesis is that much more mechanism is needed for setting up more than we now have of social rules and regulations under which the game shall be played. But I do not believe that the form of control which is so much discussed currently, which goes to the intimate control of the amount of production or of the price structure or other similar individual problems, should be substituted for our existing mechanisms under capitalism. I believe that using such an approach there can be no stopping point—no place where the control can be effective until the most

intimate details of business life and of the relationship between business and society are controlled in a quasi-autocratic way. And I do not believe that is desirable.

There are several reasons for this. Such a type of control assumes capacity for foresight in those who exercise the control. In the shifting panorama that constitutes our modern scientific civilization, with the time elements of change what they are, the limitations on foresight seem to me far too acute to trust any type of organization with that type of control. I believe that the variables that enter into the situation, studied from that standpoint, are beyond human capacity. I believe that it is impossible to work out the elements of timing and to get results that are socially desirable in time to have them socially effective. Moreover, I believe that the strain which would inevitably be put on government by the development of that approach would be intolerable. It makes little difference to me whether that type of control should start with business or with government. I am convinced that it would end in the hands of government, and that we should create great bureaucracies interested primarily in the extension of their own functions, interfering with the orderly course of existence of 125,000,000 people, hopelessly without understanding of the complex variables entering into their lives.

Obviously, we must do things which will stop the recurrence of social catastrophes such as we are now going through. But in my judgment, the road to that end by detailed planning

would in itself bring about a social catastrophe, the details of which cannot now be foretold, but the general scope of which can, I think, with a good deal of certainty.

There is nothing in the record of this Nation, in the development of its governmental agencies, to justify confidence that we can successfully gain an understanding of our individual and group problems by putting the details of that understanding up to government. We are only just beginning to have any understanding of the complex forces that build up the social organization in our smaller cities. We have no understanding of those that enter into a great city like New York. We have no understanding in our governmental agencies which entitles us to believe that they can do a good job in this most critical of problems, learning how to adapt the social organism to change—how to adjust the social organism to the environment brought about by the time factors of modern science.

If we turn over to government the intimate control of the industries of this country, I think we shall duplicate the difficulties that we have run into in prohibition, and create a great, powerful force interested in bootlegging back to industry the discretion that has been taken away from it. Because it is so hopelessly beyond the capacity of government by itself to handle these problems that it would almost force such bootlegging, we might, indeed, go to the other extreme. We might set up a definite, centralized autocracy; but it would have all the limitations that exist on human intelligence when it came to planning how that autocracy should function.

NECESSITY FOR PLANNING

And yet, planning is necessary. One specific way of measuring this

business depression is by examining the deposits in our banks—only one of many indices that seem to me of significance, but one on which I can give you figures showing the extent to which this breakdown is caused by lack of planning. We have had from the administration in Washington what seems to me a thoroughly sound credit program. In detail, I, like any one else who studied the problem, would differ. In the large, the program seems to me to be exceptionally fine. But the significant fact is that for the lack of any central thinking agency related to our political organism, for the lack of understanding in the paths of sound lines of legislation, that program comes something like two years after it was critically needed.

I do not mean by making that statement to criticize the administration. It is inherent in the nature of things that men approaching a problem of this kind as one of the aspects of intolerably busy lives, should take time to sort out the intellectual problems involved in it. And yet, I am personally convinced that the last eighteen months or so of this depression has been a prolonged, unnecessary money panic. It is the last eighteen months of this depression that have created our most serious problems. It is the last eighteen months of this depression that have unstabilized our great middle class, with all the effects on recuperative power that come with that unstabilization.

Through the figures of bank deposits we can get something of an index of what has happened. In 1929, the collapse in credits which shocked us all (although many of us had expected it in some degree in the Fall of 1929) decreased the bank deposits of the United States \$1,477,000,000. In 1930, those bank deposits decreased \$2,250,000,000. In 1931, they de-

sed \$8,340,000,000; and the estimates for January of this year are substantially equal to the figure for the whole of the year 1929 in this collapse of bank deposits and bank credit.

In the year 1931, through the breakdown of effective mechanisms in our credit structure, we had something like six times the deflation that took place in 1929, and three and one-half times that of 1930. In my judgment, the whole of that last year, which was the critical year, could have been avoided.

CAUSES VERSUS EFFECTS AND REMEDIES

How to deal with problems that are beyond foresight—that is the question; how to get an understanding of the flux of events that will enable us to deal intelligently with problems which we cannot predict in detail or in time, and where we cannot understand causes rapidly enough to act with reference to them. If you study the history of business depressions, you find that the best judgment of the economists gives you a considerable and varied range in the elements, the timing, and the weighting of the different factors that are causes. And there is no business depression in the past as to which the economists who have thought over the problems are in agreement as to causes. We are still fighting, and will be a hundred years hence, about the causes of the Great War.

The problem which we must face is that of dealing with a current flux of events where neither an understanding of causes nor foresight in advance in any effective sense is possible. We have overemphasized the study of causes, because such study of a current situation is so time-consuming that before we can make any judgments,

the situation has gone beyond. It is not a question of going from a fundamental study to a study of palliatives; it is a question of devices that will prevent the kind of accentuating spiral, either downward or upward, that the last year illustrates by many indices, of which I have mentioned only one.

We can best develop foresight by the study of the past, to determine not so much the causes of various economic recurring phenomena, but the ways in which they shocked society and the ways in which they can be offset and compensated or prevented. It is only in comparatively few ways that these depressions react on society so as to bring about critical shocks. The causes are multifarious. The effects have a habit of recurring. I believe this to be the type of problem which, because of the practical and mental limitations of human ability, makes it necessary to study those effects and contrive devices for meeting them.

BIOLOGICAL ANALOGY

We have an excellent illustration of the possibilities of that approach in the biological analogy. For hundreds of millions of years, Nature has, through the slow processes of biological trial and error, been developing species which were able to adapt themselves to their environment. Those species have never understood the causes of the changes in environment; they have learned by trial and error how to deal with the consequences, with the effect, with the flux of events. And Nature seems to me to have evolved a few successful methods of doing that, only. I think they can be classified into a few great groups.

In the first place, the whole of biological development is the history of permanent adaptation to durable conditions. Organisms in the sea that can live in cold water cannot live in warm

water, but they can rely on the water where they live to vary only within certain limited areas. When organisms left the sea, they made durable adaptations to the new conditions of living in the atmosphere. It is rather shocking that we have paid so little attention to the stabilizing effect that would take place if we could make similar durable adaptations to permanent conditions in our environment, and in the quality of mankind. We have paid almost no attention to old-age pensions, to disability, to all that vast range of things that are predictable in a social sense. We are only just beginning. The farm problem at the present time is an illustration of the necessity of facing what seems to me to be a durable change in the fundamentals affecting the farmer. And we have made almost no progress in that durable adaptation.

Nature, besides methods of permanent adaptation, has developed defensive and insulating devices, sometimes specializing on them, with the result that the species that specialized on them perished off the face of the earth, but always developing them. The dead cells of the skin are an important illustration of that kind of defensive mechanism. In our social organism, the army and the navy and the tariff are illustrations of the same thing.

COMPENSATORY DEVICES

Nature has developed a vast range of compensatory devices. Now, those compensatory devices operate only within the durable adaptations. That is to say, Nature has set up a fundamental stability with reference to the general conditions of the environment faced by the organism, and has maintained that fundamental stability in all complex organisms by many minor compensatory devices which worked

within the general outline. Nature has not protected mankind against automobile accidents except within narrow ranges of thinking, backed up by automatic reactions; but she has protected mankind against a vast range of chemical minor differences by storage, by all kinds of adaptation. When we go from a warm room into the cold atmosphere outside, many automatic compensatory devices come into play. The fundamental stability is maintained by the capacity for minor compensation.

In our particular situation, the credit problem that has been so catastrophic in this last year in its consequences is an illustration of a place where, for the lack of compensatory freedom in the devices constituting our Federal Reserve system, our banking structure has been unable to handle the credit problem; and being unable to handle it, the next point that Nature pays attention to, namely, margins of safety, broke down. For the lack of minor compensatory devices in our credit structure, giving freedom within that area, we have brought about a situation where the margins of safety of business, of the great middle class, and of our labor group, have disappeared.

Nature has been lavish of margins of safety. Through the whole range of biology, there are wide margins of safety in all complex organisms. The minor cost of setting up margins of safety has never been one of the things that Nature has balked at in the long history of biological evolution. But nevertheless, in many different areas these margins of safety break down. The man who loses one eye has an almost 100 per cent margin of safety on that loss. If he loses two, it is a catastrophe. The man who loses one kidney is in the same position. Less than half, probably not over a quarter

of the lung capacity is enough to keep men alive. In all sorts of ways, margins of safety of a very wide nature have been set up. We have done the same thing in the conservatively managed industries. But here we have a situation developing because of the failure to set up adequate compensatory devices to deal with comparatively minor changes, where the margin of safety goes, and we face a social catastrophe of the first order.

CENTRAL THINKING AGENCY NEEDED

Nature built thought on habit. Nature built thought by creating habits which took away the necessity for thought in such large areas that the thought in other areas became possible. In some way or other, we have to recognize the difference between the natural situation and the situation in our social organism. That difference comes from the fact that in the natural situation, mankind and all higher animals have a more or less limited capacity for thought; but if the social organism is ever to acquire the capacity for free thinking, it must be able to have used our intelligence to the fact that a central thinking agency is necessary, and in setting up in some way that enables it to function with understanding. I am convinced that such a central thinking agency is essential, not primarily to solve causes, save as their understanding contributes to the improvement of compensatory and defensive devices;

but this agency, through study of the past, should determine where such devices should be set up. These will enable our social organism to stop pyramiding consequences, for this it is that creates the really serious situation by taking the minor fluctuations beyond the ordinary margins of safety.

In addition to that, of course there will always be the necessity for thinking about emergencies, which cannot be foretold in any effective manner. Such thinking naturally must always be largely extemporized. But that is not the widest area.

In my judgment, the stability of this social organism depends primarily upon whether or not we can set up a group of really able men without power to enforce their views. If they have such power, they will not have influence; and influence is a thing that they must possess first and last. They must be an influence on Congress through the weight of their conclusions, and upon some business congress through the same weight. I believe this nation is ready to be influenced by the steady thinking of such a body, and that such a body can set up the kind of fundamental defensive and compensatory devices essential if the range of fluctuations is to be lessened and brought within the current margin of safety. And I do not believe that there is any hope of accomplishing that result through the other type of control, short of a complete autocracy, functioning, in the main, very unwisely.

Wallace B. Donham is dean of the Graduate School of Business Administration, Harvard University. He is author of "Business Adrift" (1931) and "Business Looks at the Unforeseen" (1932).

Socialist and Capitalist Planning

By PAUL BLANSHARD

USUALLY when a Socialist comes before standard economists he is afflicted with an inferiority complex. He thinks of the vast learning of his listeners and of their knowledge of industrial details. The Socialist, as an outsider, rarely has the opportunities afforded to the standard economist of examining the upper reaches of industry from the inside. No matter how capable he may be of controlling industry, he is not given the opportunity in a capitalist system of exercising that control. A Socialist in America is therefore condemned to remain what the *New York Herald-Tribune* calls "an incurable amateur." And when people have learned to think of the Socialist as an amateur it is very easy to regard him as superficial, first because he approaches the whole problem of economic reconstruction with a definitely preconceived plan and a definitely revolutionary purpose, and second because he necessarily approaches industry from the outside.

SOCIALIST THEORY PROVED

Now I confess that I have entirely rid myself of the Socialist inferiority complex. I have never before felt quite so competent in my life. I may be an amateur, but I could not possibly have made a worse mess than American capitalists have made since 1929. It seems to me that the last two years of depression have proved the Socialist analysis of capitalism to the hilt, and I am here to shout in no restrained whisper, "I told you so."

The system of private ownership of the earth's resources and of the tools of production is everywhere breaking

down. The predictions of industrial revival made by the high mogul of American business and politics have proved to be futile wishes. At least one third of our banks have failed in recent years, and 10 per cent failed last year. Nearly ten million people are out of work and there seems no prospect of any immediate improvement. The average wages in American manufacturing have fallen to about \$20 a week for men and about \$12 a week for women. Our richest cities are allowing hundreds of thousands of the unemployed to starve. In the City of New York, the richest city in the history of the world, we have at least 150,000 families in need who are not getting relief, and we have recently cut the relief allowance further. Nearly half of our farms have mortgages upon them, and it is probable that the average American farmer does not average more than \$10 a week cash income.

In the face of this crisis a new movement has arisen among Americans. It is a cult of planning. The movement for economic planning has assumed band-wagon proportions. The American Federation of Labor, the Congress of Industrial Organizations, the Chamber of Commerce, the New Republic, Governor Roosevelt, and the United States Chamber of Commerce have all jumped on the wagon and tossed into it a few words about this movement called "planning." Even President Hoover has climbed on the wagon.

I confess that when President Hoover started to talk about planning, I, a Socialist, felt like climbing off the wagon. But we Socialists cannot well climb off of the band wagon of economic planning, because it was

man expect them to do anything else? When capitalists talk about stabilization of employment, they merely mean the greatest possible adaptation of one industrial unit for continuous operation consistent with making a profit. I have not seen anywhere any group of American business men who are planning to strike at the causes of the depression by the first and most obvious remedial measure, namely, giving the workers a larger share of the product and taking a smaller share themselves. Only a national planning body with real force behind it could accomplish such a redistribution of buying power, and a socialist state is the only agency with both the power and the will to accomplish that end.

INDIVIDUAL SABOTAGE

Capitalist planning is bound to break down because of the sabotage of individual owners. It *has* broken down almost universally in America for that very reason. In the oil industry, in the cotton industry, and on the farms the frantic efforts at coordinating production have miserably failed because individual capitalists broke from their own groups in order to make profit at the groups' expense. Take the cotton manufacturing industry, for example. Years ago I was a cotton mill labor organizer, and later I wrote a series of articles in the *New Republic* attacking the wastefulness and the barbarity of night work in Southern cotton mills. The manufacturers finally agreed with me, and through the Cotton Textile Institute and their manufacturers' associations, they denounced night work. But have they really planned their industry in such a way as to eliminate night work? Only on paper—and when there are not enough orders to keep their mills running anyway. This simplest step in regulation is being consistently violated in the

South right now because the urge for profit by individual manufacturers overcomes all social professions and promises.

The same kind of individualist sabotage appears in every industry where the Government seeks to control for the public benefit. The story of the electric utilities of this country is a story of constant guerrilla warfare by the capitalists against honest social planning. In New York City our City Affairs Committee has recently shown that the average residential user of electricity pays about eleven dollars a year too much for his electric current. The Public Service Commission has found itself utterly unable to impose a decent basis of distributing the profits of this industry, because of the sabotage of the power owners. The Commission rejected a petition for lower rates only recently, chiefly on the ground of the terrible inconvenience of winning a rate case against corporations in the courts.

Now, if we cannot force these standard public utilities to plan for the public when we have legal precedent and economic usage on our side, how can we expect the traditionally competitive industries of coal, steel, and textiles to yield up any of their individualism? Mr. Swope believes that we can plan voluntarily through great associations of private owners; but where can he find any indication that private owners will voluntarily surrender any part of their profit? Thus far, the only capitalists I have heard of who surrendered any part of their individualist planning or private profit have done it only temporarily, in the belief that they stood to gain in the long run by the maneuver.

I think also that rear-guard capitalist planning is bound to be futile because there are so many annoying Socialists in the world. From Moscow to Lon-

don these Socialists are sufficiently plentiful to challenge the return of the world to the grotesque prosperity of pre-depression days. This growing power of international socialism has already forced great modifications in the capitalist structure of Germany. In fact, it is not an exaggeration to say that capitalism is definitely crumbling in Middle Europe, that it is profoundly shaky in England, and that it never has had a good guarantee of healthy life in China. The conservative capitalist planners in Europe are planning something that the people do not want. They are almost as out-of-date as the Russian grand dukes. Here in America, of course, it is still possible to pretend that capitalism is a going institution, slightly dislocated by foreign bankruptcies and Bolshevik agitators. To those who are sustained by that pretense, I can only say that capitalist planning seems to me like the process of swabbing out a man's throat with argyrol after he has caught typhoid by drinking infected water. The profit motive that dominates all capitalist production is a poisonous infection which invades the highest personal motives and makes them anti-social. And you cannot have effective industrial planning unless you *want* an object higher and more inclusive than private profit.

THE SOCIALISTS' AIM

Socialists propose to supplant the competitive planning of capitalism with a highly centralized planned economy. Our aim is frankly international and not narrowly patriotic (Daughters of the American Revolution please notice), but I cannot here discuss socialism's international policies.

If we gained control of the American Government, we would probably begin with a complete revision of the national

governmental system. We would do one of two things. We would write an amendment to the Constitution giving the Federal Government the right to regulate all private business and to enter into any business which it deemed proper, or we would abolish the Constitution altogether and give the National Congress the power to interpret the people's will subject only to certain general principles of free speech and free assemblage. At present, our Constitution is used to thwart almost every forward step toward the social control of economic life. It does not give free speech in Kentucky, but it does block almost every general effort at large-scale price control for consumers. Nine old men at Washington are allowed to consecrate their forebears' mistakes and exalt the popular will of 1787 above the popular will of 1932.

Having once captured the Government and shelved the Supreme Court, we Socialists would nationalize as many large industries as we could chew—and as speedily as such mastication could be accomplished. We would do it by peaceful democratic means unless Fascists and other reactionaries prevented peaceful change.

Probably we would remodel industry into a series of great trusts, each trust to be ruled by tripartite functional industrial democracy. The manual workers, the technicians, and the consumers would each have one vote in controlling the industry. A national planning commission at Washington would have plenary power over prices and technical methods. All socialized industry would be coördinated in a national industrial parliament where workers, technicians, and consumers would control and own. The function of the capitalist would be taken over by the collective organization. Money for plant expansion would come out of the earnings of industry directly,

instead of, as now, circuitously through the pockets of investors and manipulators. There would be complete collective price control and planning for production. Of course there would be complete social insurance, including old-age pensions, health insurance, and unemployment insurance. Probably state lines would fade away as geographical democracy gave place to functional democracy. Probably banking would be completely nationalized, with a managed currency.

I do not see any hope of a real industrial plan for America short of such a social revolution. We are moving toward that or fascism—perhaps we must pass through a period of fascism anyway. Ultimately it seems to me that we must arrive at socialist planning because it is the only com-

pletely scientific planning for an interdependent world. I think that it will seem just as natural to our children as the socialized roads and schools now seem to us.

The ultimate and compelling reason why socialist planning is superior to capitalist planning is that socialist planning has an adequate moral goal and capitalist planning has not. Capitalist planning does not propose to unhorse the acquisitive manipulator who rides on horseback in our civilization. Capitalist planning would still continue a system of rewards by which some men grow rich through ruthlessness, accident, luck, and inheritance. Socialist planning aims to transform that crazy system of riches and poverty into a kingdom of merit in which men would be rewarded only for useful work.

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Planning: an Orderly Method for Social Change

By EDUARD C. LINDEMAN

IF WE as a people are actually to step in the direction of a planned economy and a planned society, we shall need to learn how to put meaningful content into the term "planning" itself. But I should like to appeal for a more careful use of all social concepts. For example, I experienced considerable difficulty in adapting myself to this discussion of planning within capitalism. The term "capitalism" (and most other terms ending in "ism" as well), does something peculiar to people's thinking. It carries overtones and undertones of a most significant variety, and it tends toward a particularism—a monism—of thought which is dangerous. When people say "capitalism," they seem to imply that they are speaking of a well-defined, unitary, and uniform system of economics; but this does not seem to me to be a realistic view. Likewise, when they utter this new and magical word "planning," they seem to be conveying a notion which is clear and specific; but again, this seems to me to be an erroneous inference. May I suggest, therefore, that those of us who presume to be showing the way toward a new society practice upon ourselves a more rigorous logic, and perhaps a more clarifying mental hygiene, since our emotions are largely responsible for our use of language.

I shall leave the mental hygiene aspect of our problem to others, but it does seem to me appropriate to point out that most of our social thinking is still confined within a static and absolute rather than a dynamic logic. This older logic subtly leads us to think of experience as consisting of "eithers" and "ors," whereas a dy-

namic logic, that is, a logic which takes its point of departure from behavior and experience rather than from rationalism, quickly reveals to us that all situations, as well as all objects, may be arranged within graded series. Failure to recognize this hiatus between the older and absolute logic and actual experience leads to curious consequences. One discovers, for example, persons with extremely liberal or radical ideas concerning society and economics, who continue to confine these ideas to an outworn logical formula; their wants are dynamic and their thought processes are static. It is these confused thinkers who go about attempting to persuade others to make absolute choices between "blacks" and "whites." The net result of their efforts is to falsify the interpretation of experience itself.

But it may be advisable to practice this newer logic rather than to plead on its behalf. I shall proceed, therefore, in my attempt to clarify certain aspects of the term "planning," by stating a series of propositions which seem to me to leave to the citizen who is really eager to move toward a planned society, choices which bear some realistic relation to his actual experience, and consequently allow room for action. I shall not attempt proof in each case, but shall merely present the proposition and then add a minimum of elaboration, in the hope that the outline will prove more provocative than a completed argument.

PROPOSITION I

There are as many varieties of capitalism as there are culture units.

The varieties of capitalism may be

graded, as one illustration of dynamic logic, according to the following categories:

(a) Private versus public. In this case, the term "private" may be taken to represent one polarity and "public" the other. Between these two types of capitalism one may then arrange others to complete a graded series. From this point of view, France might be taken as the culture unit which represents the highest degree of private capitalism, while Russia represents the highest degree of public capitalism. Semi-socialistic nations, such as Mexico and Denmark, would probably fit somewhere near the center of such a series.

(b) Morality of power versus morality of collective welfare. Certain forms of capitalism have developed a rationale of individual power achieved through the exercise of economic dominance. On the other hand, there are capitalistic units in which private capitalism prevails, but under a moral discipline which protects the collective welfare.

(c) Narrow versus broad legal sanctions. Capitalism, wherever it exists, is embedded in the law. In some countries its "rights," usually expressed in terms of property, are narrowly conceived and rigorously enforced, as for example in the United States, while in other countries legal sanctions remain much more flexible.

(d) Strictly regulated versus loosely regulated credit control. As illustration of this point, one may remark that there have been no bank failures in Canada during the current economic depression, while more than four thousand American banks are insolvent at the present moment; and this in spite of the fact that Canada and the United States exist within the same geographical-economic area. The dif-

ference derives from the fact that credit as an accessory of capitalism is differently conceived and executed in the two countries.

(e) Simple versus complex productive processes. China and India are capitalistic countries, and their methods of production remain, for the most part, simple if not primitive in character. At the other end of this scale, one might place Germany and the United States as representing high degrees of productive and technological complexity.

(f) Relatively equal versus grossly unequal distribution of income. The income from capitalism in a country like Denmark is distributed in such manner as to prevent poverty on the one hand and excessive individual wealth on the other. The opposite may be said of England and the United States.

(g) Class stability versus class mobility. Each culture unit represents varying degrees of class consciousness as well as varying degrees of mobility within the class structure. In countries where class mobility is high, class consciousness is low, and vice versa. Capitalism is more perversive and dispersive, that is, less criticized, in those countries where class mobility is high.

PROPOSITION II

Conscious control of the economic system, that is, deviation from laissez faire toward laissez marcher, must necessarily assume a different form for each culture unit.

This proposition obviously follows from the first. If capitalism differs in so many ways in each culture unit, then it appears as patent that each unit will plan in a different manner. We may learn a great deal by observing the methods and processes employed in other countries, as in contemporary

Russia for example, but our problem and our situation needs to be viewed from the realistic standpoint shown by the distinctions between the two units.

PROPOSITION III

Planning in a highly developed economic system will be concerned not so much with productive goals (as in Russia) but rather with distribution goals, and thus with generalized standards of consumption.

As an illustration of this point in terms of American conditions, one might select the coal industry. We already possess a sufficient amount of productive equipment and skill to mine all the coal which our country needs, by operating present mines approximately sixteen to twenty weeks of each year. It would be a simple matter, therefore, to posit an approximate production goal for this commodity. But it would be far from simple to arrive at a planning formula which would insure adequate income and a decent standard of living for miners and their families. Also, a plan for coal in this country would involve some provision for re-locating those miners who are no longer needed as miners, and this would involve complex relationships with our economic system as a whole.

PROPOSITION IV

Whatever is considered initially as goal in planning is destined to be transformed later, or transmuted, by the methods utilized.

Since the above proposition is psycho-philosophical in character, this may not be the appropriate moment for its elaboration. It is inserted primarily for the purpose of challenging that naïve conception of behavior which seems to teach that our wants and wishes determine what we are to become. Our impulses, wants, needs,

desires, wishes, et cetera, impel us to action and condition the direction in which we are to move; but what we ultimately become is the consequence of what we do. In philosophic language, we are here confronted with the old and perplexing problem of means and ends—a problem which will endure as long as there are people who believe that good ends may be attained by bad means. But my thought at present is not concerned chiefly with “good” or “bad,” but rather with appropriate and inappropriate means. What is of primary importance in economic planning is the method, not the goal; the means, not the end.

PROPOSITION V

So far as planning method is concerned, our choice seems to lie somewhere within the graded series beginning with force, coercion, and absolute authority on the one hand, and consent and functional authority on the other.

Thinking is likely to become confused at this point, due to a too simple objectivity. It is to be noted that those countries in which economic planning of one sort or another has been attempted have uniformly resorted to some form of dictatorship—notably, Russia and Italy. This observation may mislead us into thinking that planning and coercion are mutually inclusive terms—that there can be no true planning without resort to dictatorship. If this were true, our choices would indeed be limited. The chief implication of the argument of those who see an inescapable connection between coercion and planning is that human beings are incapable of creating social wholes, that they cannot recognize the effectiveness of collectivism as a reasonable procedure, and that they will not utilize coöperative methods unless forced to do so by external force or pressure. No part

of this implication seems to me to be necessarily true.

In spite of the fact that my inclinations lie on the side of consent and a functional as distinguished from an arbitrary authority, it seems advisable to add that my present hopes are not high. When planning does actually become a compulsion in this country, the method employed will be, I believe, some form of dictatorship, probably that of a bureaucratic group. But our resort to arbitrary authority will come, not as a consequence of thoroughgoing reasoning, but rather as a final substitute for reasoning. Recourse to outside and arbitrary authority is always an admission that reason has failed. I sometimes shudder when I reflect upon the probable consequences of large-scale economic transformation in this country effected through the use of force and coercion, but at the same time I recognize that our lethargy and our shallow sense of values may lead us precisely in this direction, and at a more rapid rate than now seems likely.

My faith in the consenting process as the most appropriate method for effecting the change from *laissez faire* to *laissez marcher* in our society is based upon my conviction that dictatorships are temporary, that they produce innumerable negative results no matter how worthy their major end may be, and that everything that is done through force and coercion must ultimately be done again by methods which do not involve the subjugation of the masses by the few. The one thing human beings refuse to abandon for long is their freedom, or their sense of freedom. Arbitrary power exercised over others limits personality development in both directions: it degrades those who submit and it ultimately dishonors those who rule. And, finally, the resort to dictatorship cuts short all experimentation and practice

in the more valid arts of social collaboration.

PROPOSITION VI

In the interests of clarity, distinctions should be drawn between economic planning and forecasting.

Forecasting is a procedure for predicting future economic events, and is based primarily upon statistical deductions representative of past behavior. Except for short periods, forecasting is exceedingly variable and unreliable for all commodities save those which have come to be recognized as basic necessities in a given cultural unit. Thus, it is possible to forecast certain productive demands for goods furnished by some of the so-called public utilities, with considerable accuracy.

Planning is a procedure for positing a socio-economic goal, marshaling resources for its attainment, applying appropriate techniques, and releasing essential human energies. An economic plan is not merely a future goal, but a goal conceived in ideal terms. It is the ideal aspect of the goal, its faith element, which releases energies. For example, the ideal-goal in early American life may be loosely stated as the creation of a classless, democratic state. As long as this goal seemed ideal, that is, imbued with superior values, it served to release prodigious amounts of energy. The methods employed tended to defeat the goal, and another took its place—namely the acquisitive goal of individualized wealth; and again one witnesses the release of great reservoirs of energy. Now that this goal begins to show its ineffectiveness and barrenness, another must be discovered to take its place; but the new goal must reach deeper into the center of human desire than a merely quantitative economic objective implies.

PROPOSITION VII

Planning is not merely an engineering or an economic task but also a psycho-social one; that is, a scheme for re-directing individual human behavior in terms of a reintegrated collective purpose.

Engineers and economists will, no doubt, hold an exalted position in a planned society because their services will be indispensable. But they can neither bring the new society into existence nor sustain it unless in the meantime they acquire two facilities; namely, (a) that of relating their fractional disciplines into functional wholes, and (b) that of participating with other specialists who practice the techniques and arts of conditioning human behavior.

True planning is not a manipulative process; it does not come by imposition from without, but rather by means of redirection from within. The essence of impending social change in our country lies in the fact that our acquisitiveness, our so-called "rugged individualism," can no longer function. If we are to start in another direction, there must be changes, not merely in productive and distributive procedures, but in human psychology—in ways of living, thinking, and aspiring. If it were not for the awkwardness and ambiguity involved, one might say that planning depends upon our ability to create a new science of human and social engineering.

PROPOSITION VIII

Philosophically considered, planning represents a desire and a method for creating new wholes out of parts which have become so far fractionalized through lack of collective control as to have lost their functional relevancy.

The reason for the present inadequacy of our individualized economic system is to be found in its inability

to create or to deal with wholes; the parts are no longer relevantly connected, and it thus happens that we may possess the equipment for large-scale production but remain completely baffled with respect to the means for placing goods into the hands of those in need. Or it may happen that in our attempts at re-stabilization we utilize fractional methods which must in the end result in self-defeat; such as, for example, increased tariffs.

One begins to see dimly what some of the new wholes are to be; but for experimental purposes, it will perhaps be advisable to begin with those which are manageable. Thus, one might think of the beginning of planning in this country in terms of a single commodity, such as that already mentioned, namely, coal. One sees that this industry is "diseased," that it cannot function on behalf of either individual or social ends, and that its consequences have brought about conditions of bitterness and poignant suffering. In short, the situation with respect to coal furnishes us with the necessary elements for large-scale change and experimentation.

PROPOSITION IX

Considered in terms of behavior as social and conditionable, planning will probably succeed best in this country if it takes initial advantage of the collective instruments to which we have become accustomed; namely, committees and commissions.

It is a curious fact that we Americans have a rich background in collective action which is almost completely divorced from collective philosophy. We perform most of our important functions through committees or commissions. This is true even in business enterprises, some of which are now administered by means of vast congeries of committees. But we have

given very little thought to the technique of committee functioning, and we are almost totally lacking in social philosophy.

Social change, in one direction or another, is always in process. If we are to step upward from the level of drift to that of controlled direction, we will no doubt do well to utilize as many of our acquired habits as may be appropriate for the new age of conscious planning.

The plot of the new society, whatever else it is to include, will be a collectivist one. The wistful longing for a great leader, a man on horseback who is to come riding bravely down Main Street and lead us to deliverance, is a futile fantasy. Leadership in a planned society will be distributed and will function group-wise. In so far as individual leaders survive at all, these will be persons who have acquired the arts of functioning in groups; they will be the persons who have learned how to integrate the group's superiorities.

PROPOSITION X

A planning program, on whatever scale initially attempted, implies a desire to change the total cultural pattern, ranging from ways of performing work, distributing income, enjoying leisure, to appreciating the arts.

The proposition above may seem contradictory when considered in connection with Proposition IX. But in all futuristic conduct, there are always two goals apparent; namely, the long-time and the short-time goal. Proposition IX has to do with short-time goals.

Integrity in a planned society can be achieved and maintained only when the short-time goals are consonant with a more ideal long-time goal.

Those who plan will succeed in the "long run" only if they deal with the evolving situation as a whole. For

example, changes in economic production should be reflected in education, in recreation, and in creative outlets for the imagination. Otherwise, economic planning may merely result in reducing our society to economic efficiency plus cultural mediocrity.

PROPOSITION XI

If a planning program were to be attempted in this country, its main implication would lie in the direction of fundamental social change.

One begins to foresee the nature of some of these fundamental social changes for which we are to prepare ourselves. One sees that it will be necessary in the future to:

(a) identify the state with the economic process in the form of candid avowals and not subterranean, surreptitious controls;

(b) identify education with the social process in such manner as to permit children and adults to participate in the creation of social justice and idealism; and

(c) invent new social forms involving functional relationships between managers, workers, technologists, scholars, and consumers.

THE CHALLENGE OF THE PRESENT OPPORTUNITY

What we require most at the moment is faith. Our old leaders have deserted us; they spend their energies in wishful retrospect. Their sadness comes from their inner inability to confront imminent change; the prospect of the future fills them with guilt and fear. To the clear-sighted and the courageous, the situation is filled with inspiring potentialities. Our generation may enjoy the opportunity of laying the foundations of a new society. But we must begin with faith—faith in ourselves first, and thereafter faith in our fellows.

Two haunting misgivings rise to disturb me at this point. First, although the opportunity for conscious social change lies before us, we may not grasp its advantages; we may, instead, drift toward the level of a long-drawn-out plateau of cultural mediocrity. This has happened before in history, and it may happen again. Second, we may follow a superficial course with respect to planning; the very word itself has already become a shibboleth which people use without meaning and insight, and this implies that it may easily be degraded into a mere symbol. What if planning is in essence nothing more than a "confident illusion," to use Emerson's language? All of life is contingent and precarious; we derive our energies from belief—from faith in our goals.

Is it not enough to know that the old order will no longer satisfy? Why do we then hesitate? Do we shrink from challenge? Returning to Emerson, may I in closing remind you of his ringing charge to us delivered almost three fourths of a century ago:

We are to revise the whole of our social structure, the State, the school, religion, marriage, trade, science, and explore their foundations in our own nature; we are to see that the world not only fitted the former men, but fits us, and to clear ourselves of every usage which has not its roots in our own mind. What is man born for but to be a Reformer, a Remaker of what has been made; a renouncer of lies; a restorer of truth and good, imitating that great Nature which embosoms us all, and which sleeps no moment on an old past, but every hour repairs herself, yielding us every morning a new day, and with every pulsation a new life?

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The Approach of Scientific Management to the Problem of National Planning

By H. S. PERSON

ENGINEERING has made two great contributions to modern culture. One is mechanical technology, which has embodied in machines the powers of nature and the skills of man, and has thereby multiplied the productivity of industry and at the same time come near to eliminating the drudgery involved. The other is the technology of scientific management which has made the utilization of high-production equipment practicable from the business point of view. Were it not for measurement, calculation, specifications, and orderly procedures which scientific management has given industry, the losses resulting from confusion in purchasing and handling materials, coördinating specialized processes, finding markets, and matching products to demand, would be greater than the savings from the use of the more productive equipment.

In so far as mechanical and managerial technology can contribute to that end, a continuously high, broadly distributed standard of living has been made possible. If this is not realized, the cause lies in the manner in which society uses the new technology; not in the technology itself.

Current experience makes it obvious that society does not use the new technology in a proper manner. Notwithstanding statistical evidence of progress toward plenty, the progress is so irregular and the distribution of the resultant total income so uneven that substantial economic security is not realized. In the recent period of greatest activity there was in the

United States alone a net reduction of 2,225,000 in the number of workers given the opportunity for livelihood in agriculture and industry, and today some 8,000,000 are without work and income. Many have lost their life's savings, and many more are in want and distress. Social morale is shattered—which bodes ill for a democratic society. Industry is so alarmed lest its foundations crumble that some leaders have acquired a new breadth of view towards social and industrial problems, including the problem of national planning.

THE CREATION OF THE SURPLUS

I should like to introduce discussion of scientific management's attitude toward this problem by reference to an interesting historic fact. In his famous testimony before the Special Committee of the House of Representatives in 1912, Taylor said that scientific management was a mental attitude, of which mechanisms were but expressions, and that this new attitude involved a mental revolution on the part both of employers and of workers. One phase of the mental revolution was that both should

take their eyes off the division of the surplus as the all-important matter, and together turn their attention toward increasing the size of the surplus; [that they would] together be able to make this surplus so enormously greater than it was in the past that there [would be] ample room for a large increase in wages for the workmen and an equally great increase in profits for the manufacturer. . . . It is along this line of the substitution of peace for war; the sub-

stitution of hearty brotherly coöperation for contention and strife; of both pulling hard in the same direction instead of pulling apart; of replacing suspicious watchfulness with mutual confidence; of becoming friends instead of enemies; it is along this line, I say, that scientific management must be developed.¹

And seventeen years later, in the Taylor Society's book, *Scientific Management in American Industry*, Robert W. Bruere observed:

[Taylor] was right in assuming that the surplus is the center of interest for both workmen and employers. . . . One of the most remarkable facts of our time, in America particularly, is the transition from what Simon Patten called the deficit economy to the surplus economy—a social condition in which productivity or the means of satisfying basic needs increases more rapidly than does population. The notion that it is possible through science to produce a surplus beyond the needs of increasing population has begun to establish itself in the public mind only within the last decade and is measurably due to the large-scale application of the techniques which Taylor developed. The so-called classical economists based their teaching upon the assumption that population would always press upon the food supply, that there would never be a sufficient surplus to abolish poverty as the normal condition of the great masses of mankind. The Marxian economics are based upon the same fundamental assumption. The teachings of religious leaders have been to the same effect. The characteristic mental attitude of all groups in our society has hitherto been determined by this deficit economy and its necessary implication that competition and strife rather than coöperation are the conditions of survival.²

Little did Taylor imagine how rapidly a surplus economy would be developed, and that exactly twenty

years later than his plea to concentrate on creation of a surplus, people would be starving because of "overproduction"!

REPLACEMENT OF INDIVIDUAL JUDGMENT

In the same connection Taylor explained a second part of the mental revolution which scientific management requires. He said:

There is one more change in viewpoint which is absolutely essential to the existence of scientific management. Both sides must recognize as essential the substitution of exact scientific investigation and knowledge for the old individual judgment or opinion . . . in all matters relating to the work done in the establishment.

This substitution of scientific investigation and knowledge for the old individual judgment or opinion in individual establishments has played a large part in the creation of a surplus economy. What Taylor did not foresee, but what was implicit in his philosophy and technique, was that individual judgment or opinion would also have to give way to scientific investigation and knowledge and its controls in the grand enterprise represented by collective industry in order to make surplus economy a beneficent instead of a malignant state of society. As Bruere says, in continuance of the observations to which we have referred:

No one industrial establishment can live unto itself. The revolution in mental attitude which Taylor advocated cannot become socially effective until the entire community is secure, not only in its ability to create a surplus, but also in the equitable distribution of the surplus when created. For the conquest of a surplus is not the end but the beginning of civilization. It is the function of industry as society's main instrument in the struggle for existence to create a surplus; it is the function of government and of our cultural institutions to

¹ Copley, Frank B., *Frederick W. Taylor*, Vol. I, p. 11.

² *Scientific Management in American Industry*, pp. 456, 457.

provide for such a distribution of the surplus as will raise the general standard of living and improve the quality of the race. The mental revolution must be carried beyond the individual plant, beyond the total industrial organization until it embraces the mind of the entire community. Although it was primarily the phase of acquisition of the larger social surplus which Taylor emphasized, his very technique of acquisition, involving as it did common understandings and coöperation, carried with it a new technique of distribution and a new view of labor's status. What goes on inside the factory is only one part of the problem of scientific management in its full meaning; the other lies within the life of the enveloping community.³

What Bruere here says concerning scientific management and labor relations must likewise be said concerning scientific management and social relations generally; its very technique, involving as it does common understandings and coöperation, carries with it a new order of social organization and control of industry and of distribution of its income.

SCIENTIFIC MANAGEMENT AND UNSTABLE INDUSTRY

More specifically, because of its inherent nature, the attitude of scientific management toward the problem of unstable industry is as follows:

First, insistence on maintenance of a surplus economy. Because we have blundered in our first attempts to operate a surplus economy is no reason why we should assume it necessary to turn backward toward a deficit economy. One may be surprised that I give this matter the emphasis of primary attention. The reason is that practically all plans of stabilization which have been presented by industrialists look toward a limited if not a deficit economy—a point to which we shall return presently.

³ *Ibid.*, p. 457.

Second, the same technique of research and experiment which has created a surplus economy should be directed toward mastering the art of organizing and governing such an economy and of making it genuinely a culture of well-distributed plenty. There must now be on the collective plane that which has proved to be essential in the individual enterprise wherever scientific management enters; we must cast to one side until revalidated, all theories, presumptions, obsessions and prejudices—obsolete principles of economics and other inductions from a bygone environment—and we must face the new facts of a new environment squarely, fearlessly, and effectively.

Third, the presumption holds until new experience proves the contrary, that the same technique of control which scientific management has developed in organizing and managing purposive effort in individual enterprises—more recently in multiple-plant corporations—is the very technique which, adapted to the plane and scale of the problem, must be utilized in organizing and managing industry as a whole in the new era of surplus economy. The technique which has made the greater productivity of the individual enterprise beneficial to those concerned in the enterprise, should make the greater productivity of an industrial society beneficial to those concerned in the society.

PRINCIPLES OF STABILIZATION

The experience of scientific management during the fifty years of its development has been that of stabilization successively of higher planes and larger areas of enterprise. It has, as it were, learned to navigate first a motor boat, then a steam yacht, and then a "Leviathan." Now it faces the challenge of maneuvering a fleet. It has discovered in that experience

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two very important principles. First, no smaller area can be completely stabilized if forces of an unstable environment impinge upon it; and it is necessary, in order to conserve results achieved in a smaller area, to proceed to stabilize the unstable environment. Second, every such step of stabilization outward and upward involves the same fundamental technique—research and experiment to discover the basic and controlling facts of the problem; the specification as determined by the discovered facts, of purposes and of means and methods of their accomplishment; the formulation, in terms of these specifications, of plans for every step of achievement of the purposes; and finally, individual initiative and effort in accordance with the opportunities and the limitations of the plans and the specifications—which is coöperation.

These two principles have been discovered as scientific management has extended its technique from workplace to shop, from shop to factory, from production to merchandising, and from departmental operations to general administration and industrial relations. It must now proceed to a larger and more complicated task—such an organization of industry as a whole as will stabilize a surplus economy without sacrificing, although perhaps modifying, the values inherent in individual initiative and self-expression. That is precisely what has been accomplished in the progressive stabilization of higher and larger functional areas in the management of the individual enterprise. In the latter, all along the line from operative to president, there has been established by scientific management a government of law expressed in plans and specifications; yet all along the line, also, initiative and self-expression find more creative opportunity than ever before.

DEFINITE OBJECTIVE NEEDED

A survey of our industrial society functioning badly in a surplus economy, seen as through the eyes of an engineer surveying objectively the conditions of a badly managed individual enterprise, reveals conditions analogous in many details to what is ordinarily discovered in the latter instance.

First, this badly managed industrial society, like the badly managed individual enterprise, has no defined objective. In both cases, this did little harm in earlier days of a deficit economy and pioneering conditions. So insatiable then was the demand for basic consumers' and producers' goods that society readily absorbed all that could be produced. Enterprisers even got the notion that economic processes start with production, that any production will find a ready consumption, and that therefore no definition of purpose is essential. If there was then a common purpose, it was to accumulate wealth; not primarily to satisfy measured basic and capricious social needs. Society assumed that the aggregate of such individual activities thus motivated would serve the social purpose, as it did fairly well under the circumstances.

But in a surplus economy such as has latterly been realized—an economy with a large accumulation of capital, large current income, vast production equipment, and capacity to satisfy not only basic needs but also a great variety of caprice demands—wealth accumulation as a primary objective ceases to be socially serviceable. It becomes in fact self-destructive and socially disorganizing; for most wealth has come to be not directly usable physical property basic to social needs, but intangible capitalization of the incomes of enterprises as going concerns satisfying in large measure demands

which are variable, capricious, and subject to obsolescence. Capitalization of this contingent income comes to be regarded as having a permanent value of its own, becomes negotiable and the basis of new credit, which is invested along with the current surplus of economic income, and thus creates under our price system a great overhead of fixed and imperious obligations which are primary claims on the gross income of enterprise. But the maintenance of these equities depends upon the maintenance of the going-concern characteristics of the underlying enterprises, which depends upon maintenance of prices. The increasing investment in more and more productive equipment causes a tendency toward reduced prices, as also do capricious changes in demands, thereby impairing the capitalized putative value of the income. Periodically, inability to meet fixed obligations appears and spreads because of credit interrelations. This causes stoppage of productive processes while readjustments are going on, which causes unemployment, want, distress, shattering of social morale, and blind gropings of a democratic society for partial and piecemeal correctives which, more often than not, make the confusion worse confounded.

Wealth accumulation and the profits motive having ceased to be coincidentally a socially beneficial as well as an individually beneficial objective, there is now no satisfactory objective for industrial society as a whole. Society has become objectiveless. Therefore, just as defining purpose and objective is the first step toward scientific management of the individual plant, so defining purpose and objective must be the first step toward a better managed and stable industrial society. One can perhaps make no better specification of general purpose than social welfare, and of particular objective

consistent with that purpose than investment and production to measured need, with financial profits and wealth as a by-product.

ORGANIZATION AND PLANNING NEEDED

Second, this badly managed industrial society, like the badly managed industrial plant having no defined purpose, has therefore no organization for a purpose. *Laissez faire*—a minimum of social organization and control—is the dominant ideal. In the deficit economy of pioneering society, *laissez faire*, for various reasons, did not do badly. Wants were insatiable, resources were abundant and not completely appropriated and capitalized, the dice were loaded in favor of the success of individual judgments and efforts, and such errors as were made, added together, generally did not cause widespread confusion. Somehow, individual efforts on the whole fitted together. But in the more complicated technological and financial relationships of our surplus economy, especially relations in the form of financial obligations based on prices, valuations, and capitalizations, individuals are unable to see clearly the nature and effects of their judgments and activities, errors are more frequent and become multiplied rather than merely added together, and the product is a force causing recurrent and more and more destructive disorganizations. Scientific management insists that, following definition of purpose, such organization and control be established as is essential to secure an orderly accomplishment of it.

Third, this badly managed industrial society, like the badly managed industrial plant without a defined purpose and an organization essential thereto, is also deficient in that specific important device with which scientific management has revolutionized the internal

management of industrial enterprises—planning. An individual plant without a planning room in its production department is an anomaly. It could not survive. In the best managed plants the planning function is highly developed, for construction and control not only of production programs but also of sales and general development programs. The larger the enterprise, the more important is this planning function. Yet we expect the greatest of enterprises—industry as a whole—to function properly without it.

Had there, for instance, been collective planning of industrial development, we should not now witness the spectacle of a national investment in automobile plant capable of producing 9,000,000 cars annually, producing only something like 2,000,000. In all probability not more than half the workers who have been induced to come into and then been arbitrarily released from this industry will ever again find employment in it—and if not in it, in what, in that region of specialization around Detroit? And probably half the equipment will become obsolete and have to be liquidated long before there is demand enough to keep a 9,000,000-car capacity fully employed.

Because planning presupposes and therefore includes defined purpose and organization, nearly all suggestions for stabilization of industry, other than those of the financiers, focus on this concept, and propose planning either on a national scale or for each major industry. It is noteworthy that leaders in industry—those who have intimate acquaintance with the complicated processes and relationships of modern technology, such as Mr. Swope and the Harriman Committee of the United States Chamber of Commerce—have come to the conclusion that economic planning is essential.

Apparently, among leaders, only the financiers still believe that *laissez faire* is adequate for the modern industrial society of surplus economy. Cycles of speculative activity and depression are inevitable, said Mr. Wiggin of the Chase National Bank last fall in testimony before a Senate Committee, because, he said further, business has no memory. But leaders like Mr. Swope and Mr. Harriman know that through planning, collective business can be given an instrument of perception, memory, and thinking, just as these faculties have been given to individual organizations by scientific management—just as they have in some manner already been acquired by the steel industry.

THE SOCIAL OBJECTIVE

However, although agreeing with them as to the need of planning, it is difficult to believe that scientific management could consistently accept the particular application of the planning principle which is implicit in the schemes so far presented by industrial leaders. Aside from technical stabilization, their immediate and ultimate objectives are quite in contrast to those objectives which have characterized scientific management.

Scientific management has, from the beginning, been prompted by a strong social instinct. Let us quote Taylor:

. . . My object in this work is primarily, I may say almost entirely, that of securing a larger measure of prosperity and happiness for the working people. . . . It ought to be perfectly evident to any man that no other human being would devote the whole of his life and spend every cent of his surplus income for the purpose of producing higher dividends for a lot of manufacturing companies in which he has not the slightest interest and of which he has never heard before.⁴

⁴ Copley, *op. cit.*, Vol. II, pp. 235, 236, 237.

Again:

. . . What is the touchstone which indicates good or bad management? . . . No concise definition can fully describe an art, but the relations between employers and men form without question the most important part of this art. . . . Until this part of the problem has been fully discussed, the other phases of the art may be left in the background.⁵

Scientific management, in its early efforts to transform our economy from deficit to surplus, made its primary objective common welfare and harmonious relations among all coöperators in the individual enterprise. To be consistent, it must make welfare and harmonious relations among all members of society—continuous opportunity for livelihood activity—a job for *every* worker—its primary concern in the search for a way of working together in a surplus economy.

AIMS OF INDUSTRIALISTS

The leading plans presented by industrialists do not aim primarily at such a social objective. Although explanations of objectives do not accompany them, except the general purpose of stabilizing industry and employment, the methods suggested imply stabilization through release of industry from the restrictions of anti-trust legislation, the organization of a voluntary government of each industry, and, undoubtedly, eventually a voluntary Federal government of all industry. This unquestionably means further plant-saving and labor-saving mechanization, a squeezing out of weak employers and unnecessary labor, restricted and apportioned production, and price maintenance through tariffs and domestic agreements. The general point of view is best expressed in a recent speech⁶ of Myron C. Taylor,

⁵ *Shop Management*, p. 21.

⁶ Boston, March 24, 1932; reported in *The New York Times* of March 25.

Chairman of the Board of the United States Steel Corporation. It is astonishing that this speech has not attracted more attention. Mr. Taylor said:

Controlled production may be expected to come about automatically, as our surplus stocks become exhausted, and as competition, spurred by necessity, discards obsolescent production equipment and adopts justifiable price control that sacrifices some part of production volume to secure reasonable price levels for commodities.

Mr. Taylor said further that such stabilization would mean that fewer workers would be required, and that many now in industrial centers would have to go back to the land. That is apparently the philosophy behind the plans for stabilization presented by industrialists, except that they ask legal sanction for what Mr. Taylor, with his knowledge of what has happened in the steel industry, says will come automatically. The objective behind these plans is primarily stabilization of present equity values through restricted production and price maintenance, and secondarily, stabilization of the reduced employment of a more highly mechanized industry. Its primary objective is not general social welfare; not a well-distributed plenty of material goods and leisure. It really means a turning back from surplus to deficit economy in order that the claims on social income of existing capitalizations may be maintained.

AIMS OF SCIENTIFIC MANAGEMENT

Scientific management cannot consistently approve plans of the type heretofore presented by our industrial leaders. To be consistent, it must stand, first, for planning as essential to the regularization of a disorganized surplus economy; second, for a planning which is social rather than merely

industrial; and third, for a social planning, such as is represented by the La Follette and Person bills in the present Congress, which makes its objective production for measured demand at the least social cost, with individual profits as a by-product, instead of limited production for maintenance of profits and values, with satisfaction of social needs as a by-product.

Following the Civil War it was discovered that the small factory of simple relationships had been replaced by factories of greater size, productivity, specialization, and division of labor, with an accompanying increase

of complication and delicacy of internal relationships. Coördinating control of internal plant relationships then became a problem, and scientific management solved it.

Today, on the scale of the entire national industry, the simpler relationships among plants in a deficit economy have given place to the complicated and confusing relationships of a surplus economy. Coördination among enterprises is essential if social disorganization is to be avoided. Scientific management offers a social philosophy, principles, and an adaptable basic technique by which it can be accomplished.

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Limitations and Possibilities of Economic Planning

By RALPH E. FLANDERS

TO plan or not to plan—that is the question! Shall we study our economic and social organization as a whole and endeavor to give it purposeful direction toward desired ends? Or shall we busy ourselves each one with his own affairs, leaving it to the “natural course of events,” whatever that may mean, to guide our progress toward future well-being?

The presumption is in favor of planning, for man is a planning animal. When he shaped the first eolith, he *planned* to kill a foe or to provide himself with fresh meat. When he sowed the first seed, he *planned* for the coming winter. When he built his first rude shelter, he *planned* relative comfort against cold nights and inclement weather. That capacity for activity effectively directed toward the future has made civilization, with all of its release from fears of drought, famine, and pestilence, and with all of its positive access of necessities, comforts, and luxuries.

In spite, however, of the increasing range of our planning, our present state is the result of the summation of innumerable efforts of innumerable men to reach innumerable limited objectives. The widest range hitherto has been in the founding and maintenance of dynasties and the establishment of political structures having strictly limited social functions. On the whole, this process has worked well. We may look at our present situation at its darkest, and still not feel ashamed to compare it in its economic aspects with the most fortunate periods of by-gone centuries.

Our time is particularly and indubitably rich in its physical possibilities.

If now there are some of us who are no longer content to leave the course of social development to the chance summation of uncoördinated forces, we need make no apology for our position. We are men, and therefore planning animals. Our history is one of planning, successfully, on an increasingly larger scale. If we face with skepticism or timidity this next step in our orderly progress, in a very real sense we have ceased to be men.

The project is new and large. We are to set objectives for the progress of the whole social structure. Let us make a survey of the problem. What is our main objective? What approaches are possible, what impossible, what hopeful?

As the first objective of social and economic planning, let me propose *the attainment, in the United States, of a standard of living that is high, broadly distributed, and free from severe fluctuations*. This first objective relates almost entirely to the economic sphere, and concerns itself with our greatest present problem and present failure. Let us also make certain broad specifications in the field of values. Unless we are to be false to our history and to our capacities, the balance we are seeking will be dynamic rather than static. We will not be satisfied with the narrowly patterned behavior and achievement of the anthill, but will suffer some maladjustments and hardships for the sake of an effective measure of initiative and the possi-

bility of adventure. Stability can be too dearly purchased.

THE LIMITATIONS OF PLANNING

Planning is, of course, something more than setting a goal. Bellamy's *Looking Backward* described what seemed to him to be an ideal state, but the book did not clearly explain how to reach it. It was an exercise in dreaming rather than in planning. The planning in which we are interested concerns itself with means as well as with ends. We have stated the ends. In searching for means, we are continually in collision with limitations.

There are certain *limitations in human comprehension*.

Consider, for example, the innumerable variety of products available to the holder of purchasing power in Wanamaker's or Macy's in New York, Marshall Field's in Chicago, or Filene's in Boston; or if you live in the country, as I do, turn the pages of a Sears-Roebuck or a Montgomery-Ward catalogue. What an incalculable profusion of items! Many are of doubtful usefulness and of more than doubtful beauty. But private initiative has made this array open to the choice of the ordinary man. It is an achievement in democracy of the first order. Is this privilege of varied choice possible in an economy of planned details? Can it be made subject to any centralized control, except at the expense of congealing the infinite variety of its changing development? Is this profusion worth some sacrifice of efficiency or regularity?

There is another respect in which we meet limitations of human comprehension, and that is in the escape of conditions from the method of statistical analysis. This method has been devised as a tool for the intellectual compassing of phenomena too numerous and varied to be studied in detail.

A multitude of men engaged in a multitude of private actions may each go as he pleases, but the law of averages will show the conditions which control their actions on the whole. Knowledge of these general trends is necessary for intelligent planning.

But there are two ways in which events may escape this analysis. The first is by the growth of a few elements of the situation to preponderant size, so that the unpredictable personal decisions of the major element make the whole situation unpredictable. An example is the effect of chain store purchasing of perishable vegetables in a large city. The management may arbitrarily stay out of the market for a few days, for its own purposes, and thus wreck the most carefully prepared market analysis and prediction of prices.

The second situation arises when economic conditions reach the pathological stage, in which tides of mass emotion sweep over the country. Here, in place of the predictable summation of innumerable private actions, we have unpredictable public reactions. Such conditions are difficult to meet with planned action. Brilliant improvisations and an innate flair for mob psychology are the most useful resources. There are some who flourish under such conditions, but this is not the world of the planner; this world appears when planning fails.

There are *limitations in planning due to the time available*.

One of them relates to the situation just described. As a business cycle, for instance, approaches either its zenith or its nadir, there comes a time when it passes the point of rational control and becomes pathological in the sense described above. *If there is time* to determine on methods of control and to apply them, the pathological condition may be avoided and

control preserved. But it may well become a race with time.

There is a more serious and fundamental race with time. Each experience with economic instability leaves its mark on the social and political life of the community, and it is not at all clear that this progress of opinion is making the task of control simpler or easier as time goes on. There is perhaps a real race between control and disintegration.

We find ourselves hampered by the *limitations of human nature*.

To say this is not at all to infer that human nature is unalterable. In its overt manifestations it is not so. There were many business practices common a generation or two ago which are considered disgraceful today. Many of today's practices give us promonitory twinges of discomfort. But no planning which assumes immediate, permanent changes in general behavior can be looked upon as being practical. We have had one lesson on this in connection with the most important of our contemporary social experiments; we should need no other.

Among the characteristics which we must guard against is the natural tendency to act unsocially for individual gain, while admitting the general value of the opposite action. This is the ancient problem of the one and the many. Some manifestations can be curbed by organized social pressure, others by legal restraint. In general, it is the function of government to insist on the doing of those things which all agree to be necessary but which no one wishes or dares to undertake alone. For this reason, much of our planning will involve governmental action. Industrial action alone will not be effective.

Another pitfall of human nature is the fatal anxiety of our emotions to

grasp the steering wheel instead of contenting themselves with furnishing the motive power, which is their rightful function. The sight of injustice and suffering leads almost inevitably in generous natures to the action which lies nearest at hand—and such actions may fasten upon the social organism institutions and habits which will seriously hamper any rational solution.

What is fundamentally needed is a study of structures, mechanisms, and forces, carried on not merely during this period of stress, but through the ensuing period of relaxation and comparative prosperity, however long or short it may be. High powers of resolution and concentration are demanded if we are to be adequately prepared for the next crisis.

There are serious *limitations of political organization* to be dealt with.

How can proper policies of control be applied in the forty-eight states of the United States, under the present provisions of our Constitution? Whether it be hours of labor, conservation of resources, control of the sale of securities, or what not, the difficulties of unified and effective action seem insuperable.

If these internal complications hamper us, still more do our external relations with foreign countries in all the ramifications of international commerce and finance. Must we wait for domestic control until world control has been effected? Or shall we seek such a degree of isolation as shall permit our making progress on our own account?

This is a serious list of limitations—limitations of human comprehension, of available time, of human nature, and of political organization. Nor does this exhaust the list. It would be discouraging indeed to go further. So let us at once search out the hopeful

items, if any, on the other side of the ledger.

THE POSSIBILITIES OF PLANNING

Our fundamental asset is *the productivity of modern technology*.

So profuse is the output of our natural resources and of our factories, so complete are our commercial organizations and our transportation systems, so efficient, on the whole, is the use of human labor in these activities and so lavish is the application of power, that the practical limit of the production and distribution of goods is beyond our conception. So far as possibilities are concerned, those limits are set only by the desirable rate of use of natural resources, and by whatever balance our population shall determine on as between the enjoyment of leisure and of goods. Practically, the limits are set by faulty social and economic organization; and herein, of course, lies the problem.

This attainable profusion of goods has two favorable implications, not yet generally recognized. The first is that a greatly improved economic position in classes now living at a low standard (textile workers and farmers, for instance) can be improved without lowering the consumption of other productive elements of society. There is plenty for all.

The second implication is that widespread thrift—at least in any sense that implies hardship—is not a physical necessity for economic recovery or economic balance. It may be a temporary psychological necessity, or be required by a faulty financial mechanism; but it is not physically necessary. The traditional banker, to whom the doctrine of thrift is the first commandment, does not live mentally in the modern world, even though his corporeal frame is tangibly in our midst.

Another hopeful possibility lies in

the breadth of view revealed by modern industrial and labor leaders.

There has grown up within the last decade the conviction that a common problem faces both parties to the ancient antagonism; and under strain such as has never before been calmly endured, both workers and employers have remained convinced of each others' good faith.

In particular, we have been permitted the epoch-making spectacle of the publication by a committee of the United States Chamber of Commerce and by the president of the General Electric Company, of plans which accept social responsibility for all conditions within the control of industry, and which seek to remedy social ills in fundamental ways. The importance of these events cannot be overestimated. They indicate that the impossible may yet be possible.

Our third hopeful resource is the *proved usefulness of the profit motive in controlling the details of extraction, manufacture, and distribution.*

A few moments ago I described the intricacy of variety in the goods offered for consumption. There is a like intricacy in the interweaving of the expanding and contracting channels through which the raw materials for these goods are drawn from sea, mine, field, and forest, transported to factories, thence to wholesalers, thence to retailers, and finally put into the hands of the consumer; and a similarly intricate interlacing of channels and services guides the counter-flow of money and credit.

The final control is the democratic one of dollar votes in the hands of the consumer; and those votes are made effective through the profit motive. No one has yet come forward with any other plan for making effective a real richness of individual choice; and any plan which denies it,

will impoverish existence in a world full of exuberant possibilities. As we shall see later, the profit motive in its larger aspects is a dangerous force; but it will serve us well if we can retain its good offices in the control of details.

The writer finds himself somewhat embarrassed in presenting his last credit item in this balance of accounts. There is such a wide diversity of opinion among economists, such a variety of policy urged by competent financiers and men of affairs, such a lack of unanimity among statesmen in high places, that it takes audacity to pronounce the words. But they will out! *We know what caused this depression.*

Briefly, the story is this:

In times when industry and commerce as a whole are running along on even keel, neither expanding nor contracting their operations, and neither adding to nor drawing on their surplus, the acts of extraction, manufacture, and distribution of goods finance their purchase by the general public. For the receipts from the monthly sales are all paid out in wages, salaries, and dividends, for materials and supplies, repair and replacement of equipment, taxes, insurance, and other services. If the firms and individuals to whom these sums are paid are likewise neither saving nor drawing on savings, but spending all they receive, the whole process is completely self-supporting. This I take to be a commonplace of classic economics.

Expansion of activity can take place without upsetting the balance, which may thus be dynamic rather than static. For if, instead of paying out dividends, a company finds it expedient to spend its profits in expanding its plant and making additional expenditures for more material and increased labor for a larger work-in-process account, the increased expenditures go into the general pool of purchasing

power to finance the initial purchase of the increased output, which then balances as before, but at a higher level. All of this of course supposes that the product is salable and that increased labor hours are available. We are describing purely ideal conditions.

Many departures from ideal conditions come to mind; but the most devastating of them is the necessity for saving. Sad experience in an uncertain world has taught firms and individuals that they must save if they are to survive, and the act of saving withholds purchasing power; and society as a whole, to the extent of its aggregate saving, is unable to buy the goods it has made.

We must of course begin to qualify these statements at once. The amount of "money"—and the purchasing power which it represents—is not fixed, but variable. It varies both in nominal amount and in purchasing power per unit with the activities of the Federal Reserve Banks; and in the form of "credit" it is expanded every time a bank makes a loan, and contracted when the loan is repaid. The whole question of the relation of saving and of the flexibility of money to purchasing power needs careful study.

Another qualification, and an even more important one, relates to the use made of savings. If savings are not hoarded, but banked, they naturally find their way into new investment, and this is their proper use. If this takes place, they are ultimately used to buy materials and equipment and to pay wages; and when so used, they restore the balance of purchasing power. In this case the only harmful effect is in the time lag between saving and investment. As savings increase in amount, their rate of inflow is too great for the outlets furnished by obviously profitable investment. The resulting accumulation of unspent and

uninvestable savings builds up an increasing difficulty in selling the goods made. To put it bluntly, the emergence of profits tends to dry up the source from which profits spring.

There are certain oft-repeated conditions under which the reinvestment of profits becomes increasingly difficult. Under conditions of improving business, with profits increasing faster than the volume of output (due to the favorable sluggishness of the so-called "fixed expenses"), there is a tendency for a higher proportion of the returns from sales to go into dividends and surplus, and a less proportion into wages and the smaller salaries. But the foundation of the purchasing power of the country is based on the wage earners and those in receipt of small salaries. Their ability to buy goods is not increasing with the volume of production. On the other hand, those receiving dividends and large salaries do not increase their spending proportionately, but look about for investment instead. Since consumer purchasing power has not been adequately provided, opportunities for new investment do not appear, and the savings become a dead loss to purchasing power and act as brakes on the whole industrial mechanism.

CONDITIONS LEADING TO DEPRESSION

We can now look with some comprehension on the events of 1928 and 1929. With the gradual increase of population and the development of new industries in the preceding years, there was an orderly flow of savings into the new channels of investment which appeared. The ensuing prosperity resulted in profits which were not sustained by properly increased purchasing power; but this fact did not immediately appear, as the device of installment selling was vigorously applied, and masked the situation for a

time. While there was thus a slowing in the demand for new factories and equipment, there was no immediate check to the increased emergence of profits, which had the natural effect of booming the security market.

Savings at once flowed into security speculation, as being more immediately profitable than the difficult processes of physical investment. Margins and the demands of the money market absorbed savings. Some of the speculative profits were expended in consumption, but the major part were pyramided in the sterile activities of the security market and of investment banking operations, which had no basis in physical expenditure. The initial funds were quarried from the foundation of general purchasing power and when this foundation weakened, the structure collapsed.

There is perhaps no need to expand on the ancillary phenomena of post-war deflation, impossible operations in international finance, and the real distresses of agriculture. They are in part separate phenomena; in part, symptomatic of the fundamental disease—the lack of balance between savings and investment, between profits and purchasing power. With this balance preserved, the conditions can be more easily controlled. With this element disregarded, the proper functioning of the others is impossible.

It should be unnecessary to say that I hold no exclusive claim of ownership or priority to this analysis of our condition. Its truth seems evident in the facts, and it is gaining a wider recognition from day to day among men of all varieties of previous opinion.

THE NATURE OF EFFECTIVE PLANNING

It is no part of this undertaking to present a completed plan, whether for

ending the present emergency or for providing future control. The two problems are different in their nature. As indicated earlier, the immediate problem is a pathological one, not completely subject to rational control. The remedies must be in part psychological and experimental. But only in part, for an understanding of the violated hygienic laws will give a valuable basis for determining the conditions of recovery. This at least rules out as hopeless many of the proposed and applied expedients.

The long-time problem is at once simpler and more arduous. It will not be immediately solved by any one man or by any single expedient. It involves considerable research and the pooling of varied intelligence and experience. In the light of the foregoing analysis, however, it is possible to forecast the nature of the elements of a successful economic and social control.

Our fundamental task is to maintain a purchasing power which will absorb a high degree of production, and to spread this purchasing power over the whole body of the population which is able and willing to render effective work in return. To do this requires, as we have seen, that savings should not accumulate faster than new investment will absorb them; or that, alternatively, sterilized savings should be replaced in some way by expanded currency. The second alternative is a dubious one, in that there seems to be no effective way of insuring that the increased funds will find their way into consumption instead of into speculation.

METHODS OF SOLUTION

If the first solution is sought, it will be necessary (a) to persuade the holders of unneeded profits to spend them in consumption; or (b) more actively to search out profitable investment and to organize more effectively for the

flow of savings thereinto; and, as a corollary, to prevent by more rigid "blue sky laws" financial operations which may be respectable but are inherently sterile; or (c) to devise taxation which will divert unneeded profits into desirable social expenditure; or (d) to prevent the emergence of unusable profits by lowering the price of the product or by raising wages; or finally (e) to accomplish the same effect by an arbitrary shortening of labor hours.

The three latter methods, (c), (d) and (e), involve changes in the distribution of wealth—a process which will eventually have to be faced as opportunities for profitable investment diminish.

Particularly useful would be the adoption of a shorter working week, say forty hours, with cumulatively penalizing overtime rates. It would permit of an initial spread of employment over a larger percentage of the workers, and as business passed the normal, it would help to furnish increased purchasing power to match increased profits, and would put a brake as well on reckless expansion.¹

The solution by way of taxation and public expenditure has other possibilities which must be explored. It is a shortsighted and sophomoric prejudice which leads us to demand the balancing of governmental budgets within the fiscal year. Well-managed businesses are run on a long-time budgeting basis, extending over the business cycle; and cities, counties, states, the Federal Government, and the financial agencies with which they deal must be persuaded to follow suit.

¹ Since the above was written, Macmillan's have published a book by Arthur Dahlberg entitled *Jobs, Machines and Capitalism*, in which a shortening of working hours is made out to be the prime essential. It is difficult to disagree with Dahlberg's arguments.

In the course of the business cycle there is a time to borrow and a time to retire indebtedness; there is a time to expand public works and a time to contract them; there is a time to tax and a time to relieve taxation; there is a time to expand the volume of money and a time to contract it. If these various actions are studied and controlled, they will act as effective balances on unemployment, on variations in the price level, on the emergence of sterile profits, and thus on the business cycle itself. Even those bugbears of the distracted citizen, taxation and public expenditure, may by this means become creative elements of the first order in maintaining his individual prosperity; particularly would this be true if the taxation were specially devised to reduce the body of uninvestable savings as they emerge.

GOVERNMENTAL CONTROL OF DETAILS

The actions proposed, so far as governmental authority is concerned, relate to over-all measures of control and not to the detailed control of details. That is still left to the effective governance of the profit motive. We must beware of discharging this useful servant, for reasons already given; but it must be made our servant and not our master.

There are, however, two areas at least, in which governmental control should probably extend to details. The first of these is the preservation of limited and non-replaceable natural resources, such as oil, natural gas, and so forth. The other is the field of international commerce and finance. Domestic control is hopeless if those are left free. The imposition or the taking off of tariffs cannot be left as a matter which concerns individual industries alone. These actions must be viewed in the light of required imports as a whole and of the exports available

to pay for them. Nor can foreign loans be any longer considered by our government as matters of political expediency or by our bankers as opportunities for earning commissions. These transactions involve the movement of goods and must be considered in relation to the whole plan. The time has come when the balance of international payments published in the Year Book of the Department of Commerce must be scrutinized as carefully as is the balance of receipts and payments in a private business; and there is the same urgent necessity for governing our policies thereby.

STABILIZATION BY PRIVATE BUSINESS

In the realm of private business, the various stabilization plans proposed and being studied should prove to be useful, so long as they do not upset the invaluable control of details by the profit motive. We must avoid the allocation of quotas of production and the artificial determination of prices, except in fields where government-given monopoly requires governmental price control. In general business, these practices are of a piece with the attempted control of the prices of wheat and cotton, and will lead to similarly unsatisfactory conclusions.

Stabilization by the elimination of unfair practices and by publication of full corporation accounts and of statistics of sales, stocks, prices, output, and unfilled orders, will be useful and healthy. There will be fewer hysterical expansions and fewer subsequent repentances if this is done.

All of that planning for employee stabilization involved in unemployment benefits, group insurance, and so forth, must be passed over with a few words of comment. Like the schemes for industrial stabilization just mentioned, they do not directly touch the heart of the matter, which con-

cerns the distribution and the use made of profits; but to the extent that they stabilize profits, they will assist in a wiser disposition of them. It is the sudden emergence of excess profits that unbalances our judgment and leads to sterile applications.

We cannot here touch on monetary stabilization, which is hopeful and very important, or on the relief of agriculture, which is urgent and not hopeless. We have already opened up not one plan, but several. Most of them are of secondary importance. The primary ones appear to be those relating to public expenditures and compensating taxation, shorter working hours, improved investment practices, intelligent control of foreign trade and finance, and monetary stability. As for the rest, let us not in this study try to compass the full complication of our task. Let us only note that it is simple indeed as compared with the planned control of details which has excited the imagination of the majority of our planners.

CONCLUSION

What shall we do about it all?

It is the ultimate purpose of this paper to suggest: first, that the whole seemingly inextricable project can be organized about the central idea of the distribution and the employment of profits; and, second, that the multiplicity of details which would otherwise overwhelm the planner can safely be left to the automatic action of the profit motive, if we control its major

activities. In the third place, it is evident that there are elements of demagogic appeal in some of the suggested actions. Their accomplishment may prove to be only too easy. What is required is a large enough body of conservative support to furnish the required authority and control to desired governmental action.

Fourth, and last, the writer has faith that our problem will be attacked with increasing determination and success. This faith is based on a careful observation of human nature as it is manifesting itself at the present moment. The old "money game" in its crudest form is beginning to pall.

In the problems which are set for consideration in this symposium is involved a new and unforetold stage in human development—the self-conscious direction of the mechanism of economic and social life to ends of general well-being. The eye that has caught this vision is satisfied with no other. Unlike the ancient calls to service, it does not demand that we leave our vocations and our businesses. It does not even demand that we transform them to unfamiliar uses. It does require that we divert their impossible and hopeless enterprises into endeavors which will produce the maximum of benefit to workers, management, owners, and the public at large. Such possibilities are inherent in our natural resources, in our human capacities, and in modern technology. To no lesser ends will men of sense and sensibility be willing to devote themselves.

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International Planning: Its Necessity and Its Special Features

By HUGO HAAN

IN THESE days of world-wide financial and economic, social, political, and, above all, psychological depression, we are not allowed to lose sight of the high task assigned to mankind by the victims of the World War: to work for world peace, with a view to secure that History may be in a position to register the biggest bloodshed of all times only as "*the* World War" and not as "*the first* of the World Wars."

World peace is a condition and a result of international coöperation. International coöperation in the political field depends upon international coöperation in the economic field. But international economic coöperation is a condition and a result of international planning. Therefore those who work for world peace are bound to think of international planning.

The first obstacle to progress in this matter, as in every phase of international life and action, consists in lack of mutual understanding—in conscious, and still more in unconscious misunderstanding, due mostly to vague, ambiguous, and elastic words. It is therefore essential to clear up the exact meaning of new terms before they pass from national to international discussion.

This holds good, too, of planning in its American concept, the more so as a comparative analysis of the American planning movement in its present stage discloses some national floating of definitions and concepts.¹ One

cannot fail to see that this word "planning" is broadly applied to give to every sort of coördinated scheme, program, or action, in whatever field it may be, the publicity and the flavor of a new catchword. Such misuse runs the risk of making the word a slogan devoid of any real and deeper sense, and likely soon to fade out of public discussion.

"PLANNING" VERSUS "A PLAN"

To avoid this, a clear distinction seems to impose itself first of all between "planning" and "a plan." Planning is a method, a procedure, an approach, an attitude. A plan may, but need not necessarily, be the basis for it. A plan may be, sooner or later, the outcome of planning. It depends upon whether one starts from the top to the bottom, or from the bottom to the top. (Lindeman)

Russia is an example of the former type. She started her planning with a preconceived plan; but the carrying out of this plan needs planning in every stage of economic activity.

America seems more inclined to start with planning from below. This may result later in plans, perhaps even in a national plan. But no one of the promoters of the American planning movement makes any comprehensive attempt to outline such a plan in detail—not even those among them who give to their proposals the eye-catching but misleading titles of "plans" (mostly five-year plans, but also ten and twenty-year plans, master plans,

under the title, "American Planning in the Words of Its Promoters."

¹ This analysis has been made by the author of this paper and published recently by the American Academy of Political and Social Science

long-range plans, forum plans, and so forth). They all seem to agree that such an attempt would be premature and that it is futile to draft real blueprint plans before having given enough thought to planning as a method, as the technique for putting any plan into effect.

ELEMENTS OF AMERICAN PLANNING

Therefore, as a matter of fact, under the varying headings of "Planning" and "Plans," these promoters start by analyzing the following characteristics of "Economic Planning":

1. *The Technique of Planning* as developed in the individual enterprise as a tool of scientific management (in this case centering around the technique of "budgetary control"), as well as in community life by city, town, and regional planning.

In both of these fields, America has the advantage of possessing a theoretical background as well as a far-reaching practical experience.

2. *The Tools of Planning*

(a) Its equipment, with statistical and other factual *information*, as a basis for description of the past, analysis of the present, and forecast of the future.

Many of the promoters of American planning urge first of all a "great survey." But even those who hesitate to think in terms of planning at all, urge a better organization of economic statistics. The desired improvements of information are: completeness, adequacy, promptness, and, above all, competent and comprehensive interpretation by objective and detached authorities on planning.

(b) Its machinery, built up in an effective *organization*, including interpretive, advisory, administrative, and even executive bodies (like national economic councils, planning boards, or

peace industry boards), and collective agencies for the different industrial branches (trade federations, industrial councils, and such).

3. *The Theoretical Foundations of Planning*

Here the promoters almost agree to think that *laissez faire* no longer suits the present stage of a mechanized mass economy, and that the time is ripe to build the individual enterprise into some organized form of concerted group action. But they disagree in a wide range of shades of opinion on the basic question as to the freedom or the public control of such action, and as to whether it should be the result of obligatory organization or the outcome of an enlightened free will.

Owing to its practical, scientific, and progressive character, such an approach, which consists in considering the theoretical background, the technique, and the tools of planning before designing a plan, seems best suited to the American situation. It is best suited to the international situation, too; better than the Russian approach, since the international community, at least, in its present shape of merely concerted coöperation, lacking any sort of central ruling power, is much nearer to the American forms of voluntarily accepted and supported democracy than to the Russian concept of a community organized according to a preconceived and almost imposed program.

INTERNATIONAL PLANNING

We should therefore speak of "international planning" rather than of an "international plan," and should concentrate our thinking, as the promoters of American planning almost do, on a careful and detached analysis of the elements of international

planning. This can be done simply by translating and adapting the methods and the results of American thinking and doing from the national to the international field of planning, taking the term "international" not in its narrower sense of *intra nationes*, but in its broader sense of *supra nationes*, including the world as an entity.

Thus, the elementary needs of world planning, analogous to those of national planning, may be described as follows:

1. A world-wide extension, completion, and perfection of statistics, and an international coördination of scientific research, to furnish promptly the factual *information* needed for international planning no less than for national planning;

2. The setting up of an international *planning agency* for organized interpretation of such information and for coördination and integration of national planning organizations, as well as for completion of their action from the international side;

3. An analysis of the *theoretical background* of international planning, showing a variety of great problems similar to those of national planning, for instance:

- (a) Should, and how far should, the economic sovereignty of the individual nation (corresponding to the freedom of the individual enterprise) be restricted in order to fit into a scheme of concerted international economic co-operation?

- (b) Should this coöperation be based on mere free will and mutual confidence, expressed in agreements, or should it be supported by some obligatory or even coercive power?

- (c) What kind of control should be established to safeguard the collective interests of the international economic community against conflicting individual economic interests of different countries?

4. A set of principles, which already form the body of a national planning technique and which have now to be considered in their application and adaptation to an *international planning technique*.

A PLANNING DOCTRINE

Without aiming at an exhaustive enumeration, it might be appropriate to suggest some such principles of planning as belonging to what one might call a doctrine of planning, which embodies practical experience of American planning in the industrial and community fields as well as theoretical thinking in social economic planning. Such a philosophy of planning might be summed up in the following *Twelve Principles of Planning*:

1. *Planning uses methods of science and data disclosed by research.*

In this sense it falls in with the international concept of rationalization, which aims to abolish, by similar means, waste and rule-of-thumb methods in every domain of economic life.

2. *Planning establishes, by means of scientific procedure, definite standards of accomplishment for every field of action.*

These standards should if possible be expressed in the iron language of figures, index numbers, ratios, or specifications of "the one best way to do."

3. *Planning uses these standards as elements to regulate the organized interplay of forces toward preëstablished objectives, and as tools of measuring the degrees of carrying out plans, expressed in terms of standards.*

By their scientific origin and by publicity, these standards provide planning with an atmosphere of fair play.

4. *Planning prefers the functional type to military (bureaucratic) types of organization, coöperative control to authority, and understanding to mere obedience.*

It therefore never attempts to impose a plan, but wishes to compose it from planning suggestions coming from all grades of executive collaborators.

5. *Planning aims at stability and the avoidance of rapid and excessive changes in economic life.*

Stabilization, rationalization, regularization, stability, continuity, balance—whatever terms the promoters of planning may use, they are all prepared to waive the speculative stimulus of the business cycle and its ever tempting chances, in order to bring about economic permanency, which they do not wish to be static but dynamic, and which they compare to the moving equilibrium of a ship at sea. (Person)

6. *Planning follows the law of extension from the narrower to the broader.*

This is proved by the evolution of scientific management in the individual enterprise, starting in Taylor's time in the workplace, with its manual and mechanical working methods, and reaching today, in Dr. Person's time, the national and the world economic plant, with its business methods, organizing features, and problems of leadership.

7. *Planning is to be based on planning units. These are: geographical units—regions; economic units—industries; and political units—nations.*

While starting by planning on the level of these units, planning keeps in mind its systematic extension and its fitting into the state, the national economy, the geographical groupings of states, the international groupings of industries, the empires, the continents, and the world as a whole.

The dependence of each smaller area upon its wider surroundings forces regional planning to seek for national planning, and national planning to seek for international planning.

The dependence of each individual

enterprise upon its industrial background forces plant planning to seek for planning by industries, and planning by industries to seek for economic planning.

8. *Planning is not limited in time (like most of the plans), but represents a permanent way of concerted doing.*

Plans, limited to a certain number of years, chosen mostly in a haphazard way, are either schemes to "catch up" (Russia) or to achieve a limited goal, as in the development of a certain area (the Mexican plan, regional planning, public works programs, and so forth).

9. *Planning sees its incentives more in effects than in profits.*

It thinks in terms of service to the community, including one's self, rather than of serving one's self but neglecting and thus endangering the interests of the community, including, of course, one's own interests. It is the creed of the organizing man rather than of the classical *homo economicus*. It represents the engineering, not the business, approach to economics. "Management is trusteeship in public interest" (Mary van Kleeck).

10. *Planning breaks away from crystallized habits and from the opinion that economics, industry, business, production, and so forth, are ends in themselves, and sets its objective outside, over them, in the steady rise of the general standard of living.*

It therefore thinks in terms of goods, not of money; of real demand, not of effective (market) demand; of leisure, not of labor; of human, not of material, aspects of things.

11. *Planning, hence, cannot be entirely economic nor entirely social, but must be social-economic in character.*

This principle finds expression in the recent evolution of regional planning. The Regional Plan of New York, for instance, represents a model integration

of social aspirations with economic considerations toward social-economic ends.

12. *Planning believes in evolution, not in revolution, and therefore adopts a policy of patience which counts progress in terms not of years nor of decades but of generations, in conformity with a greater Plan.*

THE NEED FOR INTERNATIONAL PLANNING

If one contemplates the planning movement in the light of such a philosophy, one realizes that it is possible to visualize the logical application, *mutatis mutandis*, of these planning principles (as established in the practice of American industrial and regional planning as well as worked out in the thinking of American economic planning promoters) to the broader fields of national and international planning; furthermore, that there is no opposition nor competition between national and international planning, both of which represent two complements of a unit.

So far as international planning is concerned, only a few American planning promoters enter at all, and these rather tentatively and hesitatingly, into this field. Thinking in international terms is, as a matter of fact, less popular in recent times all over the world. It is nevertheless no longer a question of *if* but of *when* the urgent need for a completion through international planning will make itself distinctly felt in national planning. In several countries—perhaps in most countries—the need is so obvious that it would be superfluous to argue about it at all.

In countries of large size and large resources, there may still be a belief that national planning is sufficient, at least for the present, because it provides for economic self-support as a desirable foundation of still more de-

sirable political isolation. It is only a question of time before these nations will become aware of the inevitable and inextricably interlocked network of international economic relations in which they are progressively implicated. This has been so often emphasized that, to strengthen the statement, one could refer to almost any author or book on economics of our time. To cite one for all, there is the master speech made by the President of the American Academy of Political and Social Science on the occasion of the inauguration of the Academy of World Economics in Washington, on April 6, 1932.

CONSCIOUS POLICY AND UNCONSCIOUS PROGRESS

As a sign that at the Geneva headquarters of international life and action the idea of a planned world economy begins to make headway as a conscious policy, one may glance at the recently issued Report of the Director of the International Labor Office to the annual International Labor Conference, opened in Geneva on April 17, 1932. This Report contains for the first time a special and elaborate chapter on Economic Planning. M. Albert Thomas says:

The International Labor Conference cannot be indifferent to this trend of opinion. If it is true that an organized, planned, controlled, directed or concerted economy or whatever it may be called, can provide means of regularizing and stabilizing production, avoiding or lessening economic crises and preventing unemployment—which last is one of the duties of the International Labor Organization under the treaty of peace—then it is the duty of the Conference to consider how far such ideas are founded.

But while one begins only now to speak consciously of world economic planning in Geneva, one cannot over-

look the fact that something like a planned world economic coöperation has been going on for a long time in several fields: coal, oil, sugar, credit and currency, transportation, power, labor and social legislation, and others. The efforts of the League of Nations as an international economic organization, as well as of the International Labor Organization, have inaugurated and supported a concerted international coöperation along agreed lines in various of these fields. Such international official work is supplemented by the financial coöperation of the International Bank in Basel, the agricultural coöperation of the International Agricultural Institute in Rome, the coöperation for rationalization of the International Management Institute in Geneva, and so forth.

All these efforts represent organic, therefore unconscious, progress toward international social-economic planning. There are also various types of formal and informal financial planning, of international cartels, international arrangements for power distribution, and other forms of private international business coöperation, which represent very conscious international planning of the purely economic type, which needs control on social-economic lines in the light of publicity of international public agencies or otherwise.

PSYCHOLOGICAL ASPECTS OF PLANNING

If only reason governed human actions and destinies, the chances for a coming era of national and international social-economic planning would be greater than they are in point of fact in this humanity which is still dominated chiefly by emotion. But if, in dealing with coming things, and in view of avoiding utopian thinking, one is determined to remain strictly on a factual basis, one is bound to take

into account that emotions are a fact, and one of the strongest. Through them every problem, even in the economic field, and the planning problem not least of all, has its psychological aspects.

The paramount psychological factor as far as planning is concerned, seems to be the planning will. Where a planning will, there a planning way! But the planning will of thinkers is not sufficient if it is not shared and supported by the planning will of the masses. Masses are conservative by nature, especially in countries of the so-called equal chance for every one, and more particularly in times of prosperity. When the struggle for existence comes in times of depression, under the pressure of crisis, under the threat of catastrophe, the general anxiety makes mass thinking move and provokes a general will for change, strong enough to force leaders to change the way.

Real leaders are those who feel ahead such growing mass desire for a changing path; those who have the gift of knowing by instinct which of the various ways suggested is in conformity with the mass will; those who themselves have enough vital force of responsibility and decision to change in time the direction of the migration of mankind toward higher but invisible goals.

Adam Smith and John Stuart Mill were such leaders, and carried out the law inherent in the situation of their epoch. This law was Freedom. Its ruling during more than a century has fulfilled its promise and has led men further on their upward path. But a point of saturation of freedom seems now to be reached, when the situation does not suggest progress without organized control of freedom. It may be that the law inherent in our contemporaneous situation is planning.

No individual can declare this law; no group of thinkers can impose it. It depends, rather, upon whether the masses will feel its need and unconsciously form in themselves a planning will. It further depends upon whether the present leaders, or leaders to come, will grasp, realize, and then carry out such a planning will of the masses.

We are not yet so far. The law of preservation of the existing order is still stronger than the law of change suggested by a generally felt maladjustment. Only thinkers of the utopian type plan "planning" for today, and dreamers dream "a plan" to be set up tomorrow. But neither can fail to recognize that in any event, planning, should it not be bound to become a

failure in the long run, must fulfill a prime condition dictated by the law of our world situation, which is that of an interlocked economy, an almost overcrowded population, an unfair distribution of wealth, and a lack of stability and equilibrium. This prime condition is—universality.

Thus, planning must be world planning or it will not be planning. This fact was realized a generation ago by the German philosopher Nietzsche, in his prophetic words: "Slowly, haltingly, fearfully as fate, the question arises: How shall the earth be administered as an entity?"

Upon the answer we shall give to this question depends the future of mankind.

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An Automatic Governor for Business

By HENRY KITTEDGE NORTON

BY FAR the most important economic event in the last thirty years, that event which makes it necessary for us to consider planning and which utterly changes all the conditions of the traditional economics, is mass production. It is this element that any suggestion of planning must take into consideration from every angle.

THE PRINCIPLE OF MASS PRODUCTION

Mass production has done something very distinctive to our whole economic structure, especially the manufacturing end of it. Until quite recently, the manufacturing process, from the earliest days of artisans and master craftsmen, consisted of getting work done by a nonpossessing class. Labor was brought from this nonpossessing class, and the employer conducted the operation and then sold the product to those who had wealth. This was usually a landed aristocracy, but in any event, an economic aristocracy. The process, as shown in Figure I, was to hire labor (L), do the manufacturing (P), and sell the product to M.

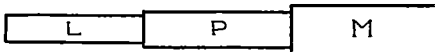


FIGURE I

Now, the fundamental principle of that economy was naturally that the highest prices to the manufacturer and the lowest wages to labor would bring the greatest profits. That is the schooling of our business for centuries back. It might be called a straight line procedure; and the fundamental of it, the profit motive, worked to cut down wages and put up prices.

When, through increasing technical knowledge and the coming of machinery, this process of production increased its capacity to the point where all of the wants of the economic aristocracy of the home country were supplied, the manufacturer naturally turned his attention to the economic aristocracies of other countries to expand his market for this increased production which machine technique had given him. In doing that, his program was still—charge the highest prices and pay the lowest wages.

But the urge for technological improvement became more and more intensive, and at the same time we were building up a machine industry in other countries, and these countries began to erect tariff walls to fence off their economic aristocracy for their own exploitation. Then industry reached the point which is usually designated as mass production. In other words, technical progress brought about a producing capacity far in excess of anything we had ever had before, at the same time that the development of machine industry over the world resulted in limiting the possible markets. Even though they had not been thus limited, the producing capacity of the world far outruns the absorptive power of all the economic aristocracies together.

Thus the process turns back upon itself, and with mass production we must have mass consumption. There is no other meaning to the process; there is no other method by which mass production can pay those who conduct it for the motivating profit which is necessary to keep it going. In other

words, mass production must be accompanied by mass consumption, or it simply chokes the wheels of its own progress. What has happened is that the industrial process has ceased to be a straight line and now we have a circle as seen in Figure II. "P" is the producer, "L" is the labor, and "M" is the market; but the process is circular, instead of being a straight line. The result is that if we keep up the old rule of the highest possible prices and the lowest possible wages, we simply contract one sector of the circle. It thus restricts the flow of business which must continue around it in order to keep industry moving on a satisfactory basis.

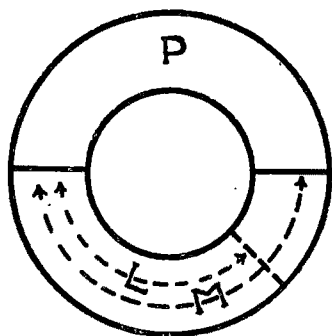


FIGURE II

Now that is a crude way of illustrating the changed nature of the economic problem, which the era of mass production has brought about.

In this country, fortunately, the industrialists who are seeking a solution of this problem have a vast area, with enormous resources—a huge aggregation of people with an almost unlimited buying possibility. In this area let us remember that the total purchasing power comes from the total of our own economic activities. We receive no increase of purchasing power from outside. If purchasing power is lacking in any part of our economic structure, it is because of the

inadequate distribution of the products of this vast industrial organization.

DISTRIBUTION OF NATIONAL INCOME

Now, let us take the income of the country at any one period. There are two kinds of things for which it can be expended. It can buy consumers' goods, or it can buy producers' goods. Articles which are calculated to produce something which will be sold later are producers' goods; articles calculated to give present satisfaction in consumption without producing something later are consumers' goods.

It is the flow of consumers' goods that gives value to the whole process. Just imagine, for the moment, that all of our economic activities were devoted to the manufacture of producers' goods—lathes, circular saws, and so forth. No one of them would be worth anything, because no one gets any particular satisfaction out of owning a lathe or a circular saw. It is only as we find a market for the consumers' goods which these machines will produce that they are worth anything. And the total value of all of the producing property in the country is measured by the amount of consumption there is in the country in any given period. Values may go up and down as consumption increases or decreases, but the immediate and potential value of every bit of producing property in the country is measured by the total amount of consumption.

In order to keep the machine going, however, and to keep up the rate of economic progress, we must devote a certain amount of income each year to producers' goods. We must buy, first, enough producers' goods to keep up the present rate of production. We must replace machines that break down or wear out. We must maintain the producing mechanism.

Second, we must increase that

mechanism in accordance with the increase in population, so that we do not lower the *per capita* capacity for production.

Third, we must increase it in accordance with every technological improvement which is made, whether it be substituting steel plows for wooden ones, or automobiles for wagons. Any technological improvement which satisfies a new need, even though we were not conscious beforehand of the need, should be covered with new capital.

Let us suppose that in the year 1928, this total of the national income was roughly eighty billion dollars. Let us suppose (quite arbitrarily, because we have no figures to show exactly what it was) that the proper amount to have put into new capital to cover these three items was twenty billion dollars. If that is so, then the ideal amount for consumption in that period was the remainder, or sixty billion dollars. It was, then, that sixty billion

NATIONAL INCOME 1928

80 billion dollars



400 billion dollars—total wealth with 60 ± billion of consumption.

Transfer 15 billion from consumption to excess producing capacity and measure of total wealth is reduced 25 per cent. Cuts value to 300 ± billion.

FIGURE III

dollars which measured the value of all of the wealth in the country. During that year the value of the total capital of the country was estimated at approximately four hundred billion dollars. Our assumed sixty billion dollars was the proportion of that year's national income, which gave this value of four hundred billion dollars to the total national investment existing at that time.

Now, let us suppose that in addition to the twenty billion dollars which we

have already said should go into producers' goods, we take 25 per cent more—fifteen billion dollars more—of this sixty billion, and put that into producers' goods. We have then, four hundred plus twenty plus fifteen—four hundred and thirty-five billion dollars' worth of capital. But have we four hundred and thirty-five billion dollars' worth of capital, when we have cut down the measure of all our values by 25 per cent? Or have we three hundred billion dollars' worth of capital? Today, our consumption is off roughly fifty per cent and our capital values have fallen in a similar ratio.

It appears, then, that after investing the ideal amount to carry on the industrial process during a given period, every additional dollar that goes into new producing capacity not only is useless, but reduces the value of every other dollar on the producing side.

If this analysis is correct, then there is an ideal division between the amount which should go into consumption and the amount which should go into production in any given year. The profit motive, the force which has so far developed our processes from a deficit economy to a surplus economy, still exerts sufficient pressure to push money into production that should go into consumption. There is a constant force acting to over-expand production. What our economy needs is something that will counteract that force when necessary, and keep consumption up to the proper figure.

RATIO OF LABOR TO PRODUCT

Now, as an illustration, let us take the last few years. These are really the first years in our economic history when the question of mass production has been a real element in the situation. We have not the complete figures to make a demonstration; all we can do is take figures which have

some relevancy and estimate their bearing on the situation.

It happened that in 1921, a depression year, the proportion of the total value of all manufactured goods which went into labor was 18.8 per cent. From that low point we went right up to the peak of 1923. In 1927, with a much larger production, the proportion that went to labor was 17.3 per cent. In 1929, with possibly the largest production that any nation has ever experienced in the history of the world, with certainly the largest wage bill that any country in the world has ever paid, the percentage of the total production paid to labor was 17 per cent. This was the lowest percentage which had been paid to labor since 1919, when it was practically the same. It may or may not be a coincidence that 1919 was followed by 1921, and that 1929 was followed by 1931. It may be more than a coincidence.

In 1929, then, 17 per cent of the product went to labor, although it was the largest wage bill we had ever paid. Now, on the old theory that wages must come out of profits, we should have had smaller profits in that year. But we have another statistical record which may be of interest. The investment in new capital issues shown by the stock exchange figures during 1927 was five billion dollars. In 1928 the investment was six billion dollars. In the twelve months ending September 30, 1929, that figure was nine and three-quarters billion dollars. In other words, in the year of the largest wage bill in the history of the country, the profit was so large that it not only drew more money into productive uses, but also produced the money for this investment.

OVERPRODUCTION

This lowering of the percentage of wages and this huge dumping of money into new construction brought about

what is usually called overproduction. Some economists prefer to call it underconsumption; and that is more accurate, for there has never been more produced than the people of this country would have been delighted to have and could have used if they had had the money to pay for it. An exception may be made of possibly two or three industries. I am told, for example, that the shoe making capacity of the country is probably three times enough to furnish all of us with all the shoes we could ever want. That may or may not be true. There may be over-equipment in specific industries but we have never reached the point where our industries as a whole, produced more of *all* goods than *all* of us could consume. However, when production exceeds the possibility of current consumption, we speak of overproduction. That appears to be one of the fundamental factors, if not the fundamental factor, in every one of our great depressions.

In September of 1929, it became apparent that we were producing more than the current consuming capacity of the country could absorb. The President then called together the industrialists and asked them not to discharge men and not to cut their wage rates. There was a sincere effort made to comply with that request for more than a year—as long as the industries could stand it.

What did that request really mean? It meant that with a ratio of manufacturing and wages which was already producing more goods than consumption could take care of, the President asked them to continue on the same basis. In other words, they were asked to continue to add to the existing surplus.

Now, to an amateur it seems that that could not get us out of the depression. It could only prolong the agony. You know whether it has done this

successfully or not. It appears, then, that when we ran into this period of overproduction in 1929, the difficulty, heretical as it may sound from any point of view, was not that the wage bill of the country was too *high* but that it was too *low*.

If labor's percentage of the product had been brought up to 18.8 per cent, the extra pay being taken off the investment in new producing plant, we might have kept the balance between production and consumption. This would have meant a loss to capital of say three or four billion dollars paid out in additional wages. Would capital prefer the loss of four billion dollars under the conditions of 1929, or the loss that has been sustained since 1929 under existing conditions—a loss which I have seen estimated as high as \$185,000,000,000?

SUGGESTION OFFERED

What shall we do about it?

The suggestion is this: In view of the fact that the fundamental difficulty in these depressions is that producing capacity gets ahead of current consumption, when we find ourselves in a period of overproduction we can either resort to planning which cuts our production to fit our depleted consumption, or we can resort to some device to increase our consuming capacity to fit our existing production.

Under the usual circumstances, suppose we find that we are overproducing and that there must be a recession—a cutting down of production schedules. We decide to cut down the production of the country by say 20 per cent. What we do now is to discharge 20 per cent of the workers. By so doing, we cut the contribution to consuming power by the same amount that we cut the production. In addition to that, we scare the life out of the other 80 per cent of the workers, because they do not know when they are going to be

discharged, or replaced by the men already idle. So they begin to hold up as much as possible of their expenditures.

By reducing production 20 per cent in this manner, we cut our contribution to consumption by 20 per cent plus the element of fear. The latter is an unknown quantity, but suppose it is as much as 1 per cent. If it is *anything* over the 20 per cent, we are simply greasing the skids for our whole economy to slide downhill; because if we cut our consuming capacity faster than our production, we are cutting the one item which measures the value not only of existing production but also of producing equipment. All the property in the country is being cut accordingly.

Now, the first element of our proposal for preventing such a result is that instead of discharging 20 per cent of the men, all of the men be retained at work, and the time of all of them be cut 20 per cent. There is nothing particularly novel in that; a number of the more forward-looking industrialists of the country have already put that system into effect and are keeping all their men at work, but cutting their time.

That does away with the extra fear element in cutting down consumption, but it still cuts consumption just as rapidly as production. We do not grease the skids for the industrial machine to slide downhill, but we leave nothing there to support it. In order to do that, I venture to make this suggestion: let a fund be accumulated, in very much the same way that a fund for unemployment is accumulated; lay aside a percentage from year to year of pay rolls or of product or of whatever you like. Then, when production is cut 20 per cent, instead of cutting the contribution to consumption 20 per cent also, pay the men full

time for the 80 per cent of the time they work, and pay them from the fund half time for the time they do not work.

Thus, production is cut by 20 per cent, but consumption is cut by only 10 per cent. A differential is immediately set up which tends to restore the balance between production and consumption. The farther down we go, the stronger that pressure becomes. Suppose production is cut in half; there is a 50 per cent increase in the wage proportion to carry it back.

Each of the other papers presented on this subject speaks of the "failure of consuming power,"—"the failure to make proper distribution of the products of industry." In every case, what is meant is that there has not been enough consuming power to take up the product and to keep the flow going evenly around the whole economic circle. It must flow evenly and swiftly if anybody is going to get any profits.

Therefore, the two suggestions are made: (1) that all of the workers in the country be kept at work for the number of hours necessary to do the

work that is needed at the time; and (2) that if that time falls below the normal, whatever it may be (let us say forty-four hours a week), then somewhere there is this factor of overproduction—there is too much producing capital and not enough consumption, and the easiest way to rectify the evil is by increasing the greatest factor in consuming power—wages. By placing money from production back into wages we restore the balance, not on a lower plane by cutting production down to meet consumption, but on a higher plane by increasing consumption to the level of production.

The suggestion of course implies innumerable details; but the principle of it is merely that by establishing this device we set up something in the nature of an automatic governor which will preserve the balance between production and consumption. If we do that, there is nothing in the history of the last hundred years of industrialism that would indicate that that balance might not just as well be somewhere on the levels of 1929 as on a lower standard.

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Planning in a Free Country: Managed Money and Unmanaged Men

By WILLIAM TRUFANT FOSTER

IN A trip which I have just concluded of twelve thousand miles in twenty-five states, I have heard everywhere, as you have heard, questions that sound like the riddles of the Mad Hatter in "Alice in Wonderland." Why can't we abolish poverty? The answer is, because we are too wealthy. Why is it necessary for anybody to go cold? The answer is, because we have too much coal and too much fuel oil. Why must anybody go with shabby clothing? In the observation car, the other day, I was reading the fashion notes. (You would be astonished to learn what a man reads in an observation car.) I read that men will wear gray a great deal this spring. The man beside me said, "They certainly will, if they wore it last spring." Why shouldn't we all have new clothes? The answer is because we have too much wool, too much cotton, too many woolen mills, too many cotton mills, too many mill hands, and too many tailors. Why must anybody go hungry? Well, I have just been from Aroostook County in Maine, where everybody was groaning because they had produced too many potatoes, to Southern California, where everybody was groaning because they had produced too many eggs. Why do we have to live in shabby houses? That, of course, is because we have too much steel, too much lumber, too much cement, too many architects, too many carpenters, and too many plumbers.

But if we have too much of one thing in one place and not enough in another, why don't we transport the surplus from where the people do not want it to

where they do want it? The answer to that question is the easiest of all. That is because we have too many railroads, too many ships, and too many trucks. It doesn't make sense. It sounds like madder riddles of the Mad Hatter. The whole story ought to be called "Alice in Blunderland."

PRODUCTION AND CONSUMPTION DIFFICULTIES

Now, this all comes about in what we have heard discussed as a "surplus economy." A surplus economy is one in which we have an overproduction of almost everything—including an overproduction of speakers who come to Philadelphia to speak about overproduction.

Many ways out of our troubles are proposed. The favorite way of the bankers, it seems, is to increase our savings and reduce our standard of living. Last night, at the Taylor Society Meeting in New York City, a speaker declared that each of us should now, patriotically, further reduce his standard of living.

We have tried this method of curing the depression for two years. We have reduced consumption—and therefore production—until we have lost, in wealth that we have failed to produce, at least \$30,000,000,000. By reducing our consumption we have lost wealth equal to twice the net indebtedness of the rest of the world to the United States. Solely by failing to use our productive capacity at the rate which we have already demonstrated is possible, we have lost at least ten times as much as the increase in the national

debt which is worrying Washington.

Ralph Flanders said this afternoon¹ the economic aim of society is a higher standard of living. (And parenthetically I may remark that Mr. Flanders has provided an introduction for all I have to say: I accept his entire analysis.) But what is a higher standard of living? A higher standard of living is increased consumption of wealth. When we say that we increased the real wages of wage-earners in manufacturing pursuits, in the fifteen years prior to 1928, by 34 per cent, what do we mean? We mean that we increased their potential consumption of the products of labor by 34 per cent. We mean that and nothing else. The chief aim of any plan, whether it be Russian or American, must be increased consumption, and that is impossible without increased production.

Well, then, why don't we increase production? The only reason is because we cannot sell the product. Consumption regulates production. The whole financial and industrial organization of society in a profit economy is for the purpose of producing anything for which there is a market. Let a buyer appear tomorrow morning in the City of Philadelphia with money or credit and a demand for any producible goods, and the goods will be produced: a thousand whaling vessels, a million totem poles—anything producible. Consumption regulates production.

Well, then, why can't we sell the goods? Here, again, we come to the A, B, C's of economics. The only reason why we cannot continue to sell goods as a whole at prices which render continued production possible (this of course does not apply to every individual commodity) is because the people who are eager to buy do not have sufficient money income.

¹ See pp. 27-35 of this volume.

The reason is not that they lack sufficient leisure. George Bernard Shaw said recently, "the four-hour day would solve the unemployment problem." If it is as easy as that, why not the two-hour day? Why work at all? The trouble with that solution is that a man working four hours a day will buy more goods than a man working eight hours a day, only in case he receives more money. Otherwise he will not. He cannot cash in free time. Leisure is not legal tender.

MONETARY DIFFICULTIES

We have everything in this country wherewith to sustain trade and employment—everything that we had three years ago—except the proper flow of money. (By the term "money," I mean currency and bank deposits subject to check.) Can you think of any material thing which we lack? We have the workers, the raw materials, the natural resources, the technical ability, the land, the equipment, the transportation, the research laboratories—every productive agency that we had three years ago wherewith to maintain prosperity, except the proper flow of money. A major business depression like this is exclusively a monetary phenomenon.

Why is there ever a lack of money? First, because the income of over 90 per cent of the people does not long keep pace with production; second, because the rest of the people save too much. Each year from 1922 to 1929, we saved too much. Not only that, but each year we saved a larger proportion of our production than the previous year. That was precisely when many bankers were warning us that we were too extravagant; that we were "basking in the atmosphere of a Corona Corona"; that we must reduce our standard of living.

But how can any one call people

extravagant when they are saving more than they produce, and each year saving a larger proportion of what they produce? Instead of being too extravagant, we were saving too much and spending too little. We were wasting our substance in riotous saving. The result was short pay rolls and long bread lines.

We saved too much in the form of private capital facilities, more than we could use: idle mills, banked furnaces, empty office buildings. We saved too much in the form of time deposits. We saved too much gold. We piled it up until we had over 40 per cent of the monetary gold supply of the earth. We saved too much in the form of foreign loans; we sent abroad about a billion dollars a year, mainly in order that the people abroad might buy what the people at home wanted to buy and were not allowed to buy.

In 1926, I said in an article in the *World's Work* that we were failing to buy the products of our own labor, partly because we were sending too much money abroad. I pointed out that we were increasing the net indebtedness of foreign countries to us each year, without having the slightest idea how they were ever going to pay their past indebtedness; and I suggested that from 1926 on, whenever we sent more money abroad we should call it not business, but philanthropy. That is one of the forms of saving whereby we prevented our own people from buying enough of our own products to enable us to keep on producing; and that is one of the direct causes of our present plight.

How much can you save to advantage? You can save more cotton mills; you can pile up more bricks; but what good does that do you? What good did it do New England? We built so many cotton mills that we had to close many of them and run the rest

of them on part time. Then, after we had saved all these cotton mills which we could not use, we went down South and built a lot more cotton mills.

IS THE PROFIT SYSTEM WRONG?

Well, if it turns out that in a profit economy, on account of savings largely made out of profits, the people as a whole are unable to buy the goods that they produce, and we run into a depression like this, does that mean that we must abolish the profit economy? Must we follow the plan of Russia? I think not. Karl Marx and all the others who have proved conclusively that it is impossible in a profit economy for the people *ever* to get enough money to buy the products of their own labor, have proved too much; for in the long run we *do* succeed in distributing the products of labor. The trouble is that *periodically*, we fail. That means that the profit economy does not work automatically to bring about the proper flow of money to consumers. The control therefore must come from outside the profit system. That is the cue to planning in a free country.

One aim of the plan must be steadily increased consumption of the products of labor. For that purpose we must increase the incomes of those who desire to consume, and reduce the incomes of the very wealthy. We can do that through higher taxes upon incomes in the upper brackets, through higher taxes upon profits, through very much higher taxes upon inheritances. By the same token, it is absurd, in the midst of a depression caused by the fact that the people are unable to consume what they are eager and willing to produce, to increase taxes upon sales. We thereby *reduce* consumption precisely when the supreme need of business is *increased* consumption.

What I am proposing is not parlor socialism. For the moment, I am not

talking about social justice. I am talking about mathematics. It is impossible, as this country has demonstrated again and again, for the rich to save as much as they have been trying to save, and save anything that is worth saving. They can save idle factories and useless railroad cars; they can save empty office buildings and closed banks; they can save paper evidences of foreign loans; but as a class they cannot save anything that is worth saving, above and beyond the amount that is made profitable by the increase of consumer buying. It is for the interests of the well-to-do—to protect them from the results of their own folly—that we should take from them a sufficient amount of their surplus to enable consumers to consume and business to operate at a profit. This is not “soaking the rich”; it is saving the rich. Incidentally, it is the only way to assure them the serenity and security which they do not enjoy at the present moment.

INDIVIDUALISM

Why have we not controlled money in the past? Largely because we have been brought up under the theory that control is unnecessary. We have been dominated by the doctrine of *laissez faire*. Now, all over the world, we are considering economic planning, because we have found that, in respect to the flow of currency and credit, *laissez faire* simply does not work. From Adam Smith, who told us about the invisible hand which is supposed to lead each individual, pursuing his own interests, to do what is for the interests of all; down through John Stuart Mill, who preached the doctrine that production automatically finances consumption and therefore no nation need worry about distribution; down to the present depression in which we have relied on “natural law”; down to this very week,

when I read in the bulletin of one of our largest banks that “natural economic forces must be left alone to run their course”—always we have shown a childlike faith in “the Lazy Fairies.”

The business man’s favorite way of expressing this faith is to insist that we must not interfere with the law of supply and demand. It does not seem to occur to him that *we* create the supply and *we* create the demand, and *we* can change either or both, by collective control, whenever we decide to do so. Somebody has said, “Teach a parrot to say ‘supply and demand’ and you have created a great business leader.” To hear all this talk about natural law, you would think it was sacrilegious for anybody to propose collective action of any sort to control economic life. A United States Senator said not long ago: “I would rather postpone a panic until the time when God brings it, than to have Hoover intrusted with the power and get the panic a year sooner. We had better let God run it as in the past.” This is “the economics of original sin.”

At last we have discovered that God always does his part, but that it is unsafe to leave all the rest to “the Lazy Fairies.” We now see that if we leave each “rugged individual” alone to follow his own interests, when a period of deflation starts, he does precisely the wrong thing. Each corporation, for its own protection, discharges men, reduces pay rolls, curtails its orders for raw materials, postpones construction of new plants, and pays off bank loans. Every single thing it does, by reducing the flow of money, makes the situation worse for business as a whole.

Each bank also does precisely the wrong thing. Again for its own protection, each bank makes conditions worse for all the other banks and for all the rest of us. In Chicago, three days ago, I saw a poster on a window of one

of the big banks which said, "Stop Hoarding. Put Your Money into Circulation. Make It Work." And on another window was a statement of the present condition of that bank, showing that it was hoarding far more than it did two years ago. The banks are the chief hoarders. No single bank, however, is much to blame. In a banking system which was deliberately devised to prevent collective action for the common good, each bank pursues a course which makes the general situation worse.

So, also, each individual consumer, as prices fall and men lose their jobs, reduces his own buying, and if possible increases his savings. Last year, while prices fell 15 per cent because individuals were not buying enough, individual deposits in savings increased 12 per cent. Thus, without national planning and collective action, *laissez faire* brings us down the vicious spiral.

NECESSITY FOR PLANNING

In the first year of this depression, it is probable that wages fell off in the United States over \$7,000,000,000. We need look no further for an explanation of the depression. In connection with the stock market crash and what followed, billions of dollars of credit went out of circulation, and the Federal Government did nothing to bring it back. There was no plan. We were told that it was not necessary to have any plan. Each rugged individual, left alone, would do all that was needed. We cannot place all the blame on Congress. No plan was placed before Congress, no comprehensive plan directed toward sustaining the consuming power of the people on a basis with the production of wealth. Without such a plan, it is impossible to have sustained prosperity under capitalism; and I question whether it will

be possible very much longer, without such a plan, to have capitalism.

The question is not whether or not we must have a plan; the sole question is what kind of plan we are to have. It is incomprehensible that the people of this country should very much longer stupidly continue to suffer the injustice, the wastes, the bread lines, the despair, the suicides, which come with *laissez faire*, and have no official policy to care for the sufferers except charity—charity which they resent, and properly resent, and which enables most of the rugged individuals among the wealthy to escape their share of the burden. It is inconceivable, I say, that an intelligent people should much longer tolerate this. Either we shall have a plan which will operate under capitalism, or we shall have a plan which will operate without capitalism.

We now seem to be in favor of planning for each individual industry, but not for industry as a whole. I came from Chicago yesterday on the Twentieth Century Limited. It seems to me that what we say is, in effect, that the operation of the Twentieth Century Limited should be planned—the schedule, the crew, the fuel, every last detail; likewise, the operation of the Commodore-Vanderbilt should be planned; but that it would be a great mistake, destructive of individual initiative and personal character—if not sacrilegious—to plan the New York Central Railroad as a whole. We ought to leave that to operate by natural law.

What I propose is radical; it is far-reaching, and it has some dangers. It might not work exactly as we hope it would work. But to my mind, it is immeasurably safer than letting things slide any longer. If I were a Communist, I should be heartily in favor of relying in this country entirely on rugged individualism. I should try by

all means to have nothing done through collective action. "They also serve who only stand and wait," but they serve the cause of Communism.

MANAGEMENT OF MONEY

Since major depressions are monetary, the solution is mainly in the management of money. Can we manage money? Well, what is money, anyway? It doesn't grow on bushes; it doesn't fall from the skies like manna. Money was invented by man for his own convenience. At various times in the past he has improved his monetary systems. In the future he can improve them again. The Federal Government now has the sole power of regulating the currency. It can, if it has sense and courage, put into circulation at any time enough currency and credit, and no more than enough, to sustain prices, employment, and production, and thereby steadily increase our standard of living.

Some people question whether we should have a "managed currency." Every currency is a managed currency. It does not just happen. The only question is whether it shall be managed intelligently, as proposed in the Goldsborough Bill, for example, or as we have managed it in the past. The choice is between a system which *certainly* has gone wrong, and one which *possibly might* go wrong. We should no longer refuse to create, by collective action, enough currency and credit to enable us to maintain the price level and operate our machinery and employ our willing workers, solely because there is danger of creating too much. There is danger of over-eating; but I have never heard a physician advocate malnutrition for fear that a patient who ate enough might possibly eat too much. The United States has suffered for two years from monetary malnutrition; and the only times in that period

when the whole country has cheered up for a few minutes were when the Federal Government proposed something definite looking in the direction of a square meal.

PLANNING OF PUBLIC WORKS

How can the Government put money into circulation? Well, how have we prospered when we have prospered? Chiefly through the expansion of bank credit, used in public works and in private works. We can prosper that way again. The best possible Federal device is long-range planning of public works. We should increase the total expenditures for public works throughout the country at the first signs of a business depression. To talk about this in a city like Philadelphia where Otto Mallery and Morris Leeds and your President, Ernest Patterson, and many others have said so much and so well, is like—I was about to say carrying coals to Newcastle; I suppose I ought to say, carrying plans to Planville. You know all about it.

The Federal Government knew all about it. Our present administration, over and over again, publicly and privately, committed itself to this policy. It even went so far as to ask the governors of all the states, at New Orleans in November of 1928, to coöperate in using \$3,000,000,000 for public works at the first sign of a business depression. I know something about this because I went to New Orleans to help present the plan to the governors. A telegram from Mr. Hoover at that time asked to have the proposal presented as *his* plan. That was twelve months before the crash in the stock market. Yet, in the first twelve months of this business depression, the Federal Government spent no more on public works than it spent in the highly prosperous year of 1928. In other words, the plan which we heard so much about fell down one

hundred per cent. So, when anybody tells you that there must be something the matter with this plan as a means of preventing business depressions, because it did not work this time, the answer is that the plan was not even tried. It never has been tried.

Another way of getting money into circulation, and one of the best ways, is a possibly self-liquidating plan. I have been tremendously interested in the project that has been drawn up, in some detail, for cleaning out four square miles of the worst housing district of Philadelphia and completely rebuilding that area. All our American cities are rotting at the core. Our slums are a disgrace to the wealthiest country in the world. This much, in fairness, we must say for the Russian plan. If anywhere in Russia they had as many available trained carpenters and masons and bricklayers and engineers and architects and all the rest, and as much available steel and lumber and brick and all the other building materials as we have here, they would not sit around and stupidly hand out charity to the unemployed. They would use the surplus men and the surplus materials, and they would clean out these festering sores and make decent dwelling places for the people. Incidentally, there would be no unemployed.

Now, what can be done under Communism can be done under capitalism in the United States, if we have sense enough to set up an adequate flow of currency and credit in the right channels. Again I say, nothing else is lacking that is essential to sustained prosperity. I advocate, then, as a part of national planning, that the Federal Government make available to the cities, wherever necessary, on extremely low interest rates, sufficient funds for cleaning out and rebuilding the slums.

THE MONETARY PLAN

To what extent would I carry out such measures? Sufficiently to bring back the price level of, say, 1928. Yes, I am proposing inflation, and I am not camouflaging it under some other name. I propose a correction of the disastrous deflation of the last three years, and no more. One safeguard against going too far is the horror with which we all look, and rightly look, on excessive inflation.

Where could we get the money? We could get it by printing it or by borrowing it. If we had sense enough—which possibly we have not—we would print enough, and just enough. We could not possibly do any harm by putting into circulation just enough money to correct the disastrous deflation of the past three years, to take up the slack of employment, utilize our productive resources, increase our standard of living, and thus avert extreme radicalism, and restore the confidence of the business world. Call it inflation if you want to; it is what we have needed above everything else for the last three years.

The other way to get the money is by borrowing it. That might increase the national debt three billion dollars. What of it? We prospered a decade ago, in spite of the fact that the debt was six billion dollars more than the present debt. In any event, the object of borrowing now is to gain fifteen billion dollars a year in production which we are now losing solely because we are failing to use our productive capacity. Would any private business be so stupid as to hesitate to go into debt three billion dollars when there was a reasonable chance of thereby increasing its profits fifteen billion dollars a year? That, in effect, is what the timid Federal Government is now doing.

This is no time to balance the budget—not, in any event, the budget of new

capital expenditures. This is no time to increase taxes. The time to increase taxes is when taxpayers are prosperous. But we always do the wrong thing. In 1928, when it was easy to pay taxes, we reduced them; now, when it is difficult to pay taxes, we increase them. Mr. Mellon, under an obsession that the national debt has to be paid off at just so much a year, went right on paying off the debt in the depression year of 1930 at the rate of prosperous 1928. The money should have been used in 1930 to employ idle men and increase the national wealth.

But would the plan I propose, perhaps, endanger the gold standard? I think there is no immediate danger: we have enough gold to maintain the price level of 1928. In any event, the purpose of an economic system is to increase the well-being of its people. The purpose is not to maintain the gold standard. If the gold standard prevents us from so using our productive resources as to sustain employment and abolish poverty, then we should either change or abolish the gold system. I have no doubt that we shall eventually take one course or the other.

PROSPECTIVE RESULTS OF THE PROPOSAL

The increased flow of money can be achieved by various other means which I have no time to discuss. The bonus payment scheme, for example, is a poor plan, but it is better than no plan at all. My proposal is that, if possible, we should use the best means; but in any event we should use *adequate* means and use them promptly, as we are not now doing.

The measures which have been taken by the Federal Government looking toward inflation are in the right direction, but they are utterly inadequate. We need more action, and we need it quickly. If we went far enough to

restore the price level of 1928, we should automatically reduce real wages without strife, without strikes. We should enable tens of thousands of producers to employ men and make profits who cannot do that today. We should thereby create real wealth—real wealth out of which ultimately all debts and all taxes are paid. We should raise the dollar values of bonds and stocks and real estate and commodities and farms, and thus provide a basis for further expansion of bank credit. We should in the process bring a lot of money out of hoarding without any of the ballyhoo campaigns which, under present circumstances, do more harm than good. We should virtually stop bank failures for the time being. That would not be enough. Eventually we shall have to put all banks under one national system, with uniform Federal examinations, reports, and regulations, thereby depriving each state of the inalienable right of having as many bank failures as it pleases.

By the plan that I propose, we should prevent what may otherwise be a catastrophic, general repudiation of debts. The real burden of indebtedness in these three years of deflation has been increased, by the change in the value of the dollar, until everybody who owes a debt on a farm mortgage or a house mortgage or a bank loan is now obliged to pay in real wealth about a dollar and fifty cents for every 1928 dollar of debt. It is utterly impossible for the debtors to meet these obligations. The plan which I propose automatically removes this unjust and intolerable increase in the real burdens of debtors.

A PLAN PRESERVING AMERICAN TRADITIONS

This plan, moreover, is in full accord with American traditions. A dictator-

ship, on the other hand, an autocratic control of industry, is not. It may be workable for a while in Russia; but Russia's background, under the tyranny of the Czars, is entirely different from ours. America was born in a struggle for freedom; America was reared in local self-government and in universal free education. We are accustomed in industry to individual initiative and self-reliance. We have demonstrated the productive power of the profit motive. We have proved that we can lift the standard of living of our people to a higher plane than that achieved by any other economic order, as long as the flow of currency and credit to people who want to buy keeps pace with the flow of goods. But we have also proved that we cannot safely leave that flow to chance; that a corrective must be established outside the profit system itself. That means Federal control; that means national planning; and that means collective action on a scale hitherto untried in the United States.

The plan I propose is American to the core. It is not based on terror or tyranny or spies or secret police or bureaucracy; it requires no change in human nature, no new incentives to individual effort; it requires no sacrifice of our traditions. It is based on individual initiative and reward and freedom of enterprise; it does not dic-

tate to anybody what he shall produce or whom he shall hire or what wages he shall pay or what prices he shall charge. It is managed money, but it is unmanaged men.

IS THE PLAN WORKABLE?

Is it possible for us to do this by collective action? Well, what would happen tomorrow morning if instead of opening your paper and reading that Japan had again ended the war, you should read that the United States had declared war, and another World War was on? You know what would happen. Congress would immediately appropriate three, five, ten billion dollars—any necessary amount. Where would it come from? Precisely where it is now. Orders would go out from coast to coast; idle mills would start up; furnaces would go into blast; and every capable man and woman who wanted a job would get one. The question is whether we consider this emergency equal to war—whether we realize that there is far more human suffering as a result of this depression than as a result of the World War. If it is appropriate to use collective action to kill men abroad, it is appropriate to use collective action on an equally large scale to save men at home. If money is available for a blood-and-bullets war, there is just as much money available for a food-and-famine war.

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Prerequisites and Aims of Soviet Planning

By PETER A. BOGDANOV

IT IS by this time generally understood that a distinguishing feature of the Soviet system is the definite direction it gives to the energies of society—a direction which replaces the so-called “free play of economic forces” by conscious social purposes. The activities of administrative units, social-economic institutions, and separate persons are coördinated for the good of society as a whole. It is perhaps not so generally understood that the aim of the Soviet system in coördinating society’s activities on a planned basis is to advance the welfare of the vast masses of its individual members—to enhance the possibilities of personal happiness.

The far-reaching and comprehensive social results and the fundamental changes which the Soviet system intends to achieve cannot be left to the blind operations of chance. Accordingly, planning is an integral and indispensable part of the Soviet system as such, and the prerequisites and the aims of Soviet planning have their roots in this system.

A basic *premise* of the Soviet system is that the land and the means of production belong to society as a whole, with the consequent elimination of private profit. A basic *aim* of this system is to abolish those factors which make for class differences, and thus lay the foundation for the creation of a society devoid of classes. Such a system affords the greatest possibilities for employing to the fullest extent and in the most effective manner all the available natural resources and all the means of production for the purpose of radically and steadily improv-

ing the living standards of the population.

EARLY OBSTACLES TO SOVIET PLANNING

The idea of a comprehensive social-economic plan for coördinating the processes of national economy has been part of the general Soviet program from the very inception of the present system. But the formulation of such a plan was not possible overnight. Certain fundamental prerequisites were lacking. Planning could not be developed in the first year of the Soviet Republic’s existence because of the economic disorganization inherited from the previous régime. During the civil war period—from 1918 to 1920—conditions were scarcely more favorable. The territory of the new state was constantly changing. For some time, important economic regions were completely cut off from the center. As a result of the World War and the civil war, industrial production in 1920 was only 18 per cent of the 1913 level, and agricultural production only 50 per cent.

Under such conditions the development of national economy in accordance with a comprehensive plan was exceedingly difficult. At best it was only possible to keep industry going, chiefly for defense purposes. During this period Soviet economy was indeed to some extent planned, but the planning was narrow and one-sided. It was of necessity concerned chiefly with keeping strict account of the available stocks of articles of consumption and with attempts to distribute them most effectively.

If I may be permitted a personal

reference, I should like to testify from my own experience to the tremendous obstacles in the way of effective planning in these early stages of Soviet economy. It fell to my lot, as head of the metal section of the Supreme Economic Council in 1919, to draft the first industrial plan in the Soviet Union, covering the metal industry in the Ural region. The absence of complete control at this time made it extremely difficult to calculate production and distribution in advance with the desirable amount of exactness.

DEVELOPMENT OF PREREQUISITES FOR PLANNING

However, despite the difficulties of this period, an important advance in economic planning was made in 1920 with the working out of the so-called *Goelro* plan—the State Electrification Plan—a general plan for the reconstruction of national economy based on the electrification of the country over a period of fifteen years. The *Goelro* plan has already been carried out in regard to the amount of current originally scheduled for production; but it is significant that the original plan did not provide for the construction of the Dneprostroy hydroelectric project.

This may throw some light on the prerequisites for effective Soviet planning. In drawing up the *Goelro* plan, we knew the needs of industry and the extent of our natural resources, but we were not certain of other important factors. We could have no assurance, for instance, regarding the distribution of labor power, the output of raw materials in the necessary quantities, or the production of tools, machinery, and other equipment. In this sense *Goelro* was—and under existing circumstances had to be—merely a skeleton plan indicating a general direction. It was the product of a period when

some of the prerequisites for effective planning already existed, and others—fundamentally important—had still to be developed. From the technical viewpoint, however, *Goelro* already contained in embryo the two types of plan characteristic of Soviet economy: the long-range plan and the annual operating plan.

In this connection, it may be observed that Soviet planning is at once integrated and flexible. It is a dynamic process rather than a rigid system. The extent to which the annual plan is carried out modifies the remainder of the long-range plan of which it is a part. The long-range plan, in turn, is at its outset conditioned by the achievements of the previous long-range plan, and at its conclusion becomes the starting point for the next long-range plan. In this manner, the aims of one plan, when they are accomplished, become the prerequisites of the next. Hence, it is possible to distinguish between the general prerequisites and aims of Soviet planning as a whole, and the prerequisites and aims of any given plan.

The *Goelro* plan was a partial plan, because the state at that time had merely partial control over the decisive elements of national economy. Only those prerequisites for planning were present which had come with the Soviet system itself. From its inception, the state possessed the economic key positions: it had nationalized the land, the natural resources, large-scale industry, transportation, and the banks; it exercised a monopoly of foreign trade which enabled it to regulate economic relations with other countries in full accord with the general program for the development of national economy.

These factors constituted the basic prerequisites for planning. But effective nation-wide planning required

additional premises. The nationalized economic key positions had to be brought completely under the guidance and direction of the state; they had to be controlled fully before their activities could be coördinated and planned in advance. For this purpose it was necessary to extend the socialized sectors of industry, agriculture, and distribution. The development of elements inimical to the Soviet form of economy had to be curbed, and the development of socialist elements had to be stimulated. It was necessary to organize all branches of national economy into an integral system combining raw materials, labor, production, and distribution so that the country's resources could be exploited in the most effective manner in the interests of society and of its individual members.

To enable this whole system to work, it was necessary to have a stabilized currency as a medium of exchange, and a certain amount of commodity turnover. Furthermore, centralized control had to be accompanied by decentralized management, so that the various republics, regions, districts, and individual enterprises could share in the responsibilities involved in nation-wide planning. The Supreme Economic Council, for example, which had been set up early in the Soviet régime as a commissariat for industry, needed to develop a system of coördinating and directing bodies for each sphere of industry, and these bodies had to be reënforced by a network of organizations consisting of those who participate directly in the industrial process.

THE NEW ECONOMIC POLICY

These prerequisites for effective nation-wide planning were developed in the years following the civil war. With the inauguration of the New Economic Policy in 1921, Gosplan, the State Planning Commission, was

established. The creation of such a central planning body was in itself an indication of the enlarged possibilities of planning. In the first year of its existence, Gosplan was able to verify some partial annual plans which had already been drawn up by various economic organs, such as the fuel plan and the outline of a plan for a sowing campaign. It also drew up an economic plan for 1921-1922, but because of the prevailing circumstances, this was more in the nature of a food plan. However, in 1922-1923 it was already possible to lay down the principles of an industrial plan which was actually carried out 85 to 90 per cent. The plans of all the economic commissariats and the various budgets were examined; an export and import plan and plans for the restoration of the famine areas were drawn up; and an outline of a five-year plan for the development of national economy was drafted.

Subsequently, the rapid restoration of national economy made it possible to take another step forward in social-economic planning. In 1925 all the separate economic plans were brought into a single system known as the Control Figures. These Figures outline a general plan covering all branches of national economy for a year in advance. They constitute, in rough approximation, the provisional balance sheet of the reproduction of wealth on an increasing scale in the national economy of the country. The Control Figures have in the past five years developed from estimates and directives along separate lines into an integrated system of directives, covering distribution as well as production.

The development of the Control Figures as a method of prognosis combined with the expansion of national economy as a whole, and particularly the increasing predominance of the socialized sector of economy, finally

made social-economic planning possible on a large scale. By 1926 the state controlled a sufficient portion of national economy to warrant the drafting of the Five-Year Plan. Thus, a preparatory period of six or seven years was required before it was possible to draw up a comprehensive, long-range plan.

In this connection it must be pointed out that Soviet economic plans are not the products of Gosplan exclusively but are developed through the combined efforts of all the economic organizations. The industries, the co-operatives, the banks, the trade unions, the economic commissariats, the local soviets, the scientific institutions—indeed, every factory and every state and collective farm in the country—participate in the drafting of the nationwide social-economic plan. Gosplan directs and coordinates all planning activities and works out the final plan. At the same time, the system of counter-planning, widely developed in the Soviet enterprises, enables the workers themselves to check and elaborate the Control Figures of their enterprises and to modify general plans on the basis of their immediate knowledge and experience. In this sense, the plans are the product of the creative efforts of the whole people. This aspect of the Soviet system is itself a prerequisite for effective planning.

THE FIVE-YEAR PLAN

The Five-Year Plan was a direct result of the expansion of national economy and of the need to expand it still further. Huge projects for power plants, factories, mills, state and collective farms—demanding several years for their execution—could not be covered by the Control Figures drawn up for one year. The Five-Year Plan was an expression of the fact that Soviet economy had reached a level where effective long-range planning

was both necessary and possible. Naturally, the Plan did not set out to achieve all the objectives of the Soviet planning system in the brief period of five years. It was merely the next stage in the general and continuous system of planning, and was to be followed by other plans.

The Five-Year Plan specified the speed and the direction of the entire social-economic process. Its chief aim was to industrialize the whole of national economy—to convert a backward agrarian country into a highly developed industrial country in the shortest possible period of time. This involved the reëquipping of old plants, the building of huge new enterprises, the creation of new industries, the opening up of new economic regions, and the regulation of the rate of industrialization. It meant the raising of labor productivity, the elimination of waste, the increase of capital investments, and so forth. It meant, above all, the increased predominance of the socialized sector of national economy, since only through socialized forms of economic activity can the productive forces of the country have the widest opportunities for expansion.

Accordingly, it was necessary to mechanize and socialize agriculture—a vast social-economic process in which agriculture is raised from the individual to the collective level, and the chasm between town and country is eliminated. This aspect of Soviet planning cannot be stressed too much. It is impossible to plan effectively for a backward agriculture broken up into atomic units of 26,000,000 peasant farms. It is possible to plan effectively only for an agriculture based on large, mechanized state and collective farms in which the peasants have a vital interest in national economy and share mutual obligations with the state.

This transformation in agriculture is

at once the aim of Soviet planning and the prerequisite for planning on a higher level. The extensive program for the socialization and the mechanization of agriculture left its impress on the Five-Year Plan and emphasized its character as a plan for creating the economic foundations of socialism. The proven advantages of large-scale farming, as demonstrated to the peasantry by the successful operation of gigantic state farms like Verblud and the so-called machine-tractor stations, set in motion a vast social process in which the free action of millions obtained purpose and direction not through external pressure or spontaneous accident, but as the result of conscious planning.

AGRICULTURAL AND FINANCIAL PLANNING

The comprehensive nature of Soviet planning may be gauged by the fact that it includes, in regard to both industry and agriculture, a broad program of planned economic geography. The Soviet régime inherited a backward land organization which caused tremendous losses to agriculture. Planned economic geography has enabled us to reorganize agricultural territory, to develop reclamation and irrigation projects, to extend the area under cultivation, and to achieve the regional distribution of agricultural activities. Regional studies are planned with a view to assisting in the socialization of national economy. Such studies seek to discover the natural productive forces of any given region as well as the valuable deposits which may be hidden in the soil.

But what is most significant about our system of planned economic geography is that entire new economic regions have been opened, involving the creation of immense industrial enterprises like Magnitogorsk and Kuz-

netsk; or specialized branches of agriculture, like the sugar, rice, and cotton areas in the North Caucasus, or the specialization of western Siberia in wheat-raising. This type of planning, in opening up new economic regions, not only advances national economy as a whole, but profoundly changes the life and culture of the peoples inhabiting the areas which are thus consciously lifted to higher levels.

One of the most essential parts of our planning system is the planning of finances and credits under the supervision of the State Bank. Since our economy operates on a monetary basis, the efficiency of an industrial enterprise must be judged by its balance sheet. Hence, credits, like raw materials and machinery, are allocated to various enterprises on a planned basis which takes into account the requirements of the individual enterprise and of national economy as a whole. In recent years, financial planning has been developed from the primary stage of planning federal and republican budgets to the higher stage of a comprehensive nation-wide financial plan which seeks to cover the entire income and disbursement of the national economy.

THE LABOR QUESTION

A primary aim of Soviet economic planning is to raise living standards by converting part of the income of national economy into returns to the productive population. Accordingly, improvements in labor conditions are systematically planned as part of the general plan for national economy. Soviet planning aims to increase production not as an end in itself, but for the purpose of radically and steadily bettering living conditions. The expansion of national economy and the expansion in purchasing power are part of a single integrated process. Hence, there is no limit to the consumptive

capacities of the population, and consequently no possibility of overproduction, depression, or unemployment. Constant expansion on a planned basis enables national economy to absorb all who seek employment. The planned and steady rise in wages and in the income of the peasants which accompanies the expansion of economy enables the population to buy goods so rapidly that industry must develop at an unprecedented rate in order to keep pace with the growing demands of the consumer and the increasing requirements of national economy itself. Overproduction, depression, and unemployment do not occur in the Soviet economic system, where production and purchasing power grow concomitantly and where every aspect of the social-economic process is coordinated and planned in relation to every other aspect, and with the direct aim of raising living standards and eliminating the bases of class distinctions.

Soviet economy, as a result of its rapid expansion under the planning system, faces, under present conditions, the problem of an acute labor shortage. In seeking to overcome this shortage, Soviet planning provides for the training of new workers for industry and agriculture. It introduces machinery and other labor-saving devices. It has converted the labor exchanges from centers where workers seek employment into centers where enterprises seek workers. It plans the most effective distribution of labor while retaining the fullest freedom of choice for the worker and safeguarding his status in Soviet society.

THE CULTURAL ASPECTS OF SOVIET PLANNING

Our planning system also provides for the socialization of housekeeping in order to release women from domestic drudgery and enable them to enter

various branches of national economy. This involves the extension of education for children beginning with pre-school age, and an increase in the number of day nurseries, kindergartens, socialized restaurants, and mechanized public laundries. This type of planning has profound social as well as economic consequences. Woman's entrance into all spheres of political, social, and economic life; the practice of equal pay for equal work; and the release of woman from domestic drudgery not only lay the basis for her emancipation but remove those economic and social factors which tend to disrupt family life.

Soviet planning is thus not entirely economic in the narrow sense of the term. The past fourteen years have witnessed a cultural revolution which has signified nothing less than the transformation of an entire country—an unprecedented metamorphosis in the knowledge, the concepts, and the habits of 160 million people. This cultural revolution has involved the virtual abolition of illiteracy, the extension of schools and similar institutions, the introduction of universal compulsory education, improvement in the skill of workers by a thorough system of industrial education, the training of managers and technicians, the extension of cultural centers such as clubs and libraries, the development of the theater, the cinema, literature, the press, and so on.

Cultural activities, like economic activities, are planned and coordinated; but over and above this aspect of Soviet planning are the far-reaching consequences of planning on the social structure as a whole. Under the Soviet system a social transformation of a major character and of the utmost historical importance is planned and realized. As a striking example of the interrelation between economic and

cultural planning and its profound effects upon various social groups, we may take the changes in the economic and cultural level of the national minorities. Social economic planning in general, including planned economic geography, has stimulated the development of industries among the national minorities, such as coal mining in Karaganda (Kazakstan), copper in Armenia, textile plants in Central Asia and Transcaucasia, and the Turk-Sib Railway in Turkmenistan.

Paralleling their economic advance, the peoples of the Soviet East have made extraordinary cultural progress. The Soviet Government has Latinized the script of forty-seven languages which formerly used the Arabic script, a form of writing so difficult that it was inaccessible to the mass of the population. For some racial groups it was even necessary to invent script, since they had no written language. The result has been a tremendous advance in literacy among the national minorities, and their active participation in the economic and cultural life of the country.

Measures affecting the national minorities, the emancipation of women, the industrialization of agriculture, and the collectivization of the peasantry have changed the social and historic rôle of these groups of the population. Strata of society which were formerly passive objects of the historic process have now become active participants and fruitful creators in that process. This is of prime importance for understanding the inner significance of Soviet planning. For a number of years after its inception, the Soviet system had to deal with a given structure of society. It had to pursue its aims on the basis of industries, geographic arrangements, and social habits inherited from the preceding historic period. It had to advance toward its

objectives in a society where the various national groups were on widely different levels of development. All plans had to be carried out on this given basic structure. But it is characteristic of the Soviet planning system that as it achieves its aims, it changes the structure in which it operates; it transforms the very basis on which it works.

THE SECOND FIVE-YEAR PLAN

The first Five-Year Plan aimed primarily at preparing the foundations for a socialist economy by developing the heavy industries and socializing agriculture on the basis of mechanization. The Second Five-Year Plan aims to use these foundations for the purpose of developing a socialist society. It aims to continue the creation and the expansion of those branches of industry which produce the means of production, in order further to insure the technical development of national economy. At the same time it aims to expand considerably the output of consumers' goods in order to improve living standards radically. The proposed increases in the production of the means of consumption has been made possible by the pronounced attention which has hitherto been given to the production of the means of production, but it will by no means tend to diminish the attention given to heavy industry.

The new plan will continue the cultural revolution. Old cities, like Moscow and Leningrad, will be renovated and enlarged. A large number of new and model cities will be built which, together with the principal industrial cities, will be transformed into cultural as well as economic centers. It is planned to extend the network of schools and colleges, clubs, theaters, stadiums, and other types of educational and recreational institutions;

the production of books, motion pictures, radio apparatus, and so forth. Adult education will be extended so that every citizen may acquire at least an elementary knowledge of the social sciences, physics, chemistry, biology, and the technical processes of production. In this way it is planned to bridge the gap between mental and physical labor.

The Second Five-Year Plan will complete the work which was begun during the first five-year period toward transforming the Soviet Union into a country which will be economically independent. Needless to say, this does not mean that the Soviet Union desires to cut off imports or to isolate itself economically from the rest of the world. This policy simply means that the principal branches of national economy are to be sufficiently provided with domestic materials, raw and finished, so that they may not be placed in a position of dependence upon other countries which may occupy a monopoly position in regard to certain products. Economic independence does not preclude trade with other countries. On the contrary, the Second Five-Year Plan aims to extend foreign trade relations. The Soviet Union produces many raw materials, semi-manufactures, and food products required by the industries and populations of other countries. On the other hand, we shall continue to purchase equipment and raw materials of which there may be a shortage in our country, or which we may find it to our advantage to purchase from other countries rather than produce at home.

The successes of the first Five-Year Plan have made it possible to make new advances toward one of the basic goals of the Soviet system. They have enabled us to include in the Second Five-Year Plan steps which will seek, in the words of Premier Molotov, "to

eliminate completely the causes giving rise to class distinctions . . . to transform the whole working population into conscious active builders of a classless society."

ADVANTAGES AND ACHIEVEMENTS OF SOVIET PLANNING

In pursuing the aims of our planning system we do not ignore difficulties or mistakes. Our principal difficulties are due not to any inherent defects in our system as such, but to the lack of skill and experience, to the low cultural and technical level of the population inherited from the old régime, and to the fact that we are working along new and unprecedented lines. One of our advantages is that we keep strict account of our difficulties and errors, acknowledge them openly, and make every possible effort to overcome them. Another advantage is the ability, characteristic of the Soviet system, to concentrate at any given moment, under the guidance of a unified idea and a unified national will, on the most important sectors of economic construction, all the combined resources of the state, the trade unions, the trusts, the banks, the coöperatives, and so on. These two advantages have contributed greatly to the success of the first Five-Year Plan and should, therefore, perhaps be included among the prerequisites for effective planning.

Experience has shown that the aims of Soviet planning are feasible and its principles practicable. Our plans are neither fantastic nor utopian. They have enabled us to increase production at an unprecedented rate. Our industrial and agricultural output are far above the prewar level, and continue to expand steadily. The Five-Year Plan is being completed in a little over four years. Since 1928 our industrial output has increased 89 per cent, and our sown area 18 per cent. In the past

three years we have risen from fifth to second place among the countries of the world in gross industrial production. Planning has enabled us to achieve standardization on a nation-wide scale. Scientific research has been coördinated systematically so that the highest technical achievements are available to the entire country. Planning has made it possible to increase wages from year to year, to reduce the number of hours in the working day, and to improve living

standards. The achievements of our planning system have increased the enthusiasm of our population for its advantages, and this in turn has accelerated the pace at which our socialist economy is developing. If the Soviet Union has been able to make striking advances economically, socially, and culturally, it is due in large measure to its planning system based on the prerequisites and the aims here briefly indicated.

Mr. Peter A. Bogdanov, Chairman, Board of Directors, Amtorg Trading Corporation, New York, is a mechanical engineer. He was for a number of years connected with the Moscow Municipal Administration in various engineering capacities, and served in the Engineering Corps during the World War.

After the introduction of the New Economic Policy in 1921, Mr. Bogdanov was appointed head of the Soviet Supreme Economic Council, and under his supervision the reorganization of industry from the war basis to its present commercial basis was started. From 1925 to 1929 he was Chairman of the Regional Administration of the Northern Caucasus Region, one of the most important agricultural and industrial sections of Russia.

A Ten-Year Plan¹

By LÉON HÉNNEBICQ

I. THE WORK OF THE LEAGUE OF NATIONS

TWO important events occurred during the month of September 1931. In the first place, at the very time when the discussions preparatory to the Disarmament Conference were in progress, there arose that conflict between China and Japan which is unique in that neither power has yet declared war on the other. But the second surprise was even more astounding. Toward the end of September, the world suddenly learned that England had suspended that gold standard which had been the keystone of her economic structure during the preceding six years.

The repercussions of this sudden change in the economic organization of the world were serious. I do not, however, intend to analyze them in detail, but rather to turn at once to the study of the economic crisis, intensified as it has been by these financial developments. My aim is to discover whether the plans proposed by economic experts (particularly those appointed by the League of Nations) are actually remedies or merely inadequate palliatives. Should the latter alternative prove correct, must we seek for new remedies, more radical and more effective than those already proposed?

REMEDIES OFFERED AT GENEVA

To begin with, what are the remedies so highly esteemed at Geneva? They are collected in that remarkable docu-

ment, presented to the League on September 21 by M. Louis Rollin, Minister of Commerce of France, which points out that:

We must remember that economic well-being is dependent upon the union of many nations, which are nowadays so greatly dependent upon one another that they might well be compared to the various parts of the human body. When the eye is injured or weakened all organs and limbs will suffer. We should do our utmost to develop economic intercourse, warmly hoping that in this way we may pave the way to a better understanding and a greater friendship between nations. We must throw our full weight against the barriers that impair, and sometimes prevent, the attainment of this desire.

Lacking a complete solution to the world's problem, we must have recourse to fragmentary solutions; but when we attempt to apply these in practice we often find that they are inadequate.

In truth, the recent efforts of the League seem to bear out the last sentence of the above quotation. Its attempt to develop economic coöperation has failed, and the present crisis seems to have led one nation after another to throw overboard the principles elaborated by the Commission appointed to study the possibility of a "United States of Europe." Even the Assembly of the League has confined itself to recommending that nations, *as far as possible*, should abstain from adopting policies that tend to weaken existing trade agreements!

¹ This article is translated from the *Revue Economique Internationale* for October 1931, by Dr. F. Cyril James, Assistant Professor of Fi-

nance, Wharton School of Finance and Commerce, University of Pennsylvania. Portions of sections one and three which are not germane to the thesis of the article have been omitted in translation.

THE ROLLIN REPORT

The excellent report of M. Rollin records, with a certain sense of satisfaction, the work of the Commission appointed to study the question of a European Union, particularly in regard to economic understandings between the various countries. He points out that "our goal must be the greatest possible coöperation among the nations of Europe in the effort to make of this continent a unified market for the products of all of the countries which compose it." But as soon as we speak of a "European customs union," there rises at once the ghost of our old acquaintance, "the most-favored-nation clause." If we are to make progress in the face of numerous conflicting interests, there must be a unanimous understanding in regard to this clause; but it must be realized that, in view of the violent competition which exists today, it will be no easy task to insist upon such unanimity as a fundamental principle. Moreover, it will be a long and difficult task to build any wide economic *rapprochement* upon so tenuous a foundation.

The report, in another place, envisages the immediate application of the principle of international coöperation to the problems of agriculture, which may be said to constitute some of the most important elements in the present crisis. It is therefore worth while to remember that, up to now, it has proved impossible to develop any international agreement covering all the wheat producing countries in the world; we have had to be content with a local entente among a few European countries. In this case the great stumblingblock was the question of preferential duties, by the use of which a few nations sought to establish, through bilateral treaties, a preferential market for European cereals.

Although such duties were said to be of a purely temporary character, they aroused considerable hostility on the American continents—and, in the face of all these facts, the Commission was only able to offer to the Assembly resolutions which, in general terms, looked forward to further international discussion of the question.

The reduction of unemployment through a generous scheme of public works is another of those panaceas widely accepted without careful discussion, and to this also, M. Rollin lends his support. Nor is he alone in his enthusiasm, for this matter has already been studied by other groups working under the auspices of the League of Nations. But it is much easier to decide on paper that a vast program of public works should be undertaken in the various European countries than it is to carry such plans into effect—particularly when we remember that an international financial agreement as to the appropriate expenditure is a necessary preliminary! Once again we find that the work of the League of Nations, although offering some encouragement, is rather Platonic.

The sound merits of the plan put forward by M. Francqui were scarcely discussed, although this plan is based upon a realization of the fact that financial forces permeate every corner of our modern business economy, as has been so admirably pointed out by L. Mahieu in a recent article in the *Revue Economique Internationale*.²

Should we succeed in improving the general credit situation, particularly in regard to intermediate credits, several of our present financial difficulties would appear less serious. Industrial credit would become more liquid and

² Une grande création belge d'après-guerre: La Société National de Crédit à l'Industrie, *Revue Economique Internationale*, January 1922.

capital would flow once more along the usual channels, as M. L. Gerard points out in discussing the Francqui plan.³ These important factors were apparent to the Assembly, which, after a particularly able discussion, recommended that the plan be studied carefully by the appropriate committees.

On the whole we are forced to admit that the meeting of the Assembly last September accomplished little in regard to the major questions at issue. In justice, however, we must remember that it was difficult to formulate new and far-reaching economic policies at a time when England—the greatest financial and economic power in Europe—was tottering. Moreover, the Assembly did succeed in its efforts to solve some of the less vital problems, and its work in regard to such matters as the unification of tariff nomenclature and of the laws relating to bills of exchange represents a distinct, though small, advance.

NATIONAL SELFISHNESS

Although the League of Nations is inspired by a genuine desire for international coöperation, it is apparent that its activities have been hamstrung by the selfish economic policies of the various nations, in each of which powerful private interests force the government to adopt policies that are contrary to the declarations made by its representatives at Geneva. It is futile to expect that any economic plan will remedy a disease that is largely political, and we must face the fact that our parliamentary system of government,

particularly in its European forms, makes it very difficult for nations to keep the international promises that have been made in good faith. Striking proof of this assertion is to be found in the fact that most of the international conventions signed by the official representatives of the various states during the past decade are still unratified. How many ministers of foreign affairs have been overruled by a parliamentary majority, so that the conventions which they signed are now a dead letter for that reason?

In the light of these conditions, it would be an advantage if the parliaments of several countries were bound together through some common organization which would devote its attention to insuring the ratification of international agreements. Yet, even if we assume such an organization to have been created, we should still be faced with the regrettable fact that private interests often have the upper hand in the determination of parliamentary policies, obscuring or denying the best interests of the world as a whole.

Almost all of the nations with which we are concerned are in fact preoccupied with their own domestic problems and permeated by the virus of private interest, so that it is difficult for them to attain a broad economic viewpoint even in regard to purely national policies. There are countries in which it is practically impossible to develop such a viewpoint, owing to the acute competition existing within certain industries; and in order to remedy this situation, the Assembly of the League has suggested the creation of national economic councils in each country. It is hoped that such councils will succeed in bringing together diverse elements and harmonizing their points of view, in which case the mediation of these councils would greatly simplify

³ Un projet belge pour le redressement économique de l'Europe, *Revue Economique Internationale*, Oct. 1931. The plan provides for the creation of an international bank which would supply both intermediate and long-term capital to financially weak countries. In many respects it is an elaboration of the plan suggested by Montagu Norman in 1930—TRANSLATOR'S NOTE.

any future international discussions. Such an ideal is thoroughly sound, but it could be improved if provision were made for a limited grouping of the economic interests of several countries into international councils. Every step that can be taken in this direction, no matter how simple, represents distinct progress.

In conclusion, the dominant note in the kaleidoscopic impression left by the last meeting of the Assembly is one of disappointment. The experts and statesmen present appear to have undervalued the importance and the seriousness of the present crisis. One of the delegates from Soviet Russia suggested that we are witnessing the death struggles of capitalism, and that the communist victory is at hand. We would deny this emphatically. Yet, between the optimism of the one group and the intangible pessimism of the others, there lie certain elements that have not been clearly isolated. It is the purpose of this article to bring them into focus, and it may be that by so doing we shall be forced to recognize that the time for palliatives has already passed.

II. SOME ELEMENTS IN THE CRISIS

In analyzing the present economic situation, it is not enough to follow the century-old tradition of describing conditions in regard to production, consumption, and exchange, elaborating the description with a mass of more or less accurate statistical data and qualifying it with a detailed discussion of actual events and business psychology. Such research into past causes is no longer satisfactory; the complexity and the rapidity of recent developments arise out of the continuous change in the various elements involved. The study of probable developments, the careful arrangement in proper order of the various events, and

a familiarity with the sequential phases of business cycles in the past, throw an entirely new light upon the study of any economic situation. If we are to make use of modern knowledge we must regard the present crisis as an event in that undulating curve of business activity whose peaks and troughs represent periods of prosperity and depression.

No matter how much this new method may interest us, it must be employed with caution, since in most cases the historic periods that have been analyzed are too short to offer any definite conclusions. Moreover, the seriousness of the present depression tends to make us hesitate before admitting that it is no more than a simple event, produced by the rhythmic fluctuations of normal business. The crisis is in some respects so unusual and so severe that it goes to the very roots of our economic organization, and this cannot be easily squared with the popular idea of periodicity. It must, in some respects at least, be regarded as an *abnormal* crisis.

The first factor to be noticed in this regard is that the economic maladjustment did not begin to assume serious proportions until wholesale prices started to fall. For some time after the war, prices had remained fairly stable at a level which, when related to costs of production, permitted a reasonably high standard of living for all classes. The fall in prices, although superficially it appears to have made things cheaper, has in fact made conditions worse than before. In the first place, although wholesale prices have fallen, retail prices have not followed them. The producers of raw materials, who have watched their profits shrink as a result of falling wholesale prices, must, as consumers, continue to pay high prices for the commodities they purchase. Prices of manufactured and

semi-manufactured goods have followed the general level of wholesale prices. Industrialists who had on hand large stocks of raw materials purchased at high prices, find themselves forced to compete with the prices charged by those who bought their supplies at present prices.

THE AGRICULTURAL SITUATION

The fluctuations of wheat, as regards both production and price, represent a good barometer of the present situation. The countries of the New World found increased production to be highly profitable during the early postwar years, during which Russian wheat was practically excluded from the world market. When Russia again turned her attention to the export of agricultural products, the results were immediately apparent on the produce markets. The prices of all grains fell catastrophically, and in the train of the sudden ruin of the agriculturists came a serious and widespread diminution in their power to purchase manufactured goods.

It may be remembered that immediately after the war, agricultural prosperity led to the appearance, in many farmhouses, of a piano—the sure sign of wealth and luxury. As the years passed, an automobile and a radio came to join the piano; but the actual items are less important than the general fact that the standard of living had risen to a point at which it included commodities previously regarded as rare luxuries. Indeed, if the agricultural crisis is one of the most significant symptoms of the present situation in all countries, the production of radios and automobiles may be said to be an equally expressive barometer of the new postwar standard of living. Nowadays it no longer seems imperative that bread should be cheap: the average man feels keenly the reduction in his accustomed standard of

living, and cheap bread is no great consolation to him. The loss of the luxuries that have become familiar is not compensated by a slight cheapening of mere foodstuffs.

In regard to productive organization, it must also be remembered that electricity and internal combustion engines have replaced coal and steam. The mining industry, the geographical distribution of manufacturing, and the value of merchant shipping have been suddenly turned upside down. Blind Americanization, an uncompromising policy of rationalization, and a phenomenal increase in productive machinery and industrial output, have jointly resulted in tremendous unemployment and (through the development of systematic dumping) ruined markets.

Financial factors have tended to aggravate the situation produced by the forces already mentioned. Monetary instability during the period immediately following the war has caused profound changes in economic society. The bankruptcy of Central Europe and of Russia has ruined the middle classes of many countries, and the situation has been very similar in all those countries which were only able to recover from the war by partial bankruptcies that were more or less honorable. The classes that have been ruined constituted the backbone of commerce. They have been unable to continue their normal functions, and their absence has weakened the resistance of the business system to the forces that have been undermining it.

ENGLAND AND THE GOLD STANDARD

Whatever may be said in regard to the problems of the period from 1918 to 1926, it seemed, around 1927, that a period of stability had set in at last. The gold standard had been adopted by several nations, which, completely

demonetizing silver, assumed that they could build upon the foundation of gold the rehabilitation and stability of the world. Free-trade England was the leader of the movement and, since 1924, British bankers have made desperate efforts to restore to London its prewar power and liquidity. Immediately after the war, despite the phenomenal development of New York, the London money market was still the center of the machinery for international payments. The pound sterling remained the monetary standard for world trade, and it is not difficult to understand the pride and jealousy of the Big Five, determined to maintain the importance of England in the field of world finance.

Since England officially returned to the gold standard in 1925, she has energetically followed this policy of recapturing her international hegemony. For six years the interests of British business have been confused with those of English banking, and the interests of the London money market have been considered as paramount. It is apparent, however, that the success of the City has been attained only at the expense of other important elements in the economic life of the Nation. For six years, British trade and finance were the envy of the world; but this prestige was dearly purchased at the expense of the taxpayer and the industrialist. Neither of these could withstand the forces set in motion by the policy of the Bank of England. Ever since 1924 we have criticized this policy, which could only end in such a crisis as the present one.⁴ Although linked to gold once more, the pound sterling has ceased to be the only international standard of value. It has been supplanted by the French franc, as well as by other gold units. There

is nothing surprising in the fact that France, Belgium, and Switzerland have sought to defend themselves from the wrath to come by drawing into their vaults as much gold as possible.

Among the elements of the world-wide depression, of which the fall of the pound is only the most recent and sensational symptom, we find, particularly since 1927, a widespread tendency to invest the whole of the available volume of savings in fixed assets, buildings and modernized machinery, through the use of long-term credits. The attractiveness of the capital market was intensified by a *boom*, in which the rise of security prices was scarcely rapid enough to keep pace with popular anticipations of nebulous future profits. Since 1928, however, capitalists have been, to an increasing extent, motivated by a desire for security rather than for profit. Unfortunately, statistics of both savings and investment are very inadequate, and we are forced to use estimates in both cases, without being able to test them very satisfactorily. Nevertheless it is clear that, in France particularly, fixed-interest securities and savings deposits regained much of their prewar favor. Already, in the early part of 1929, the weakness in price levels and business activity betokened a lack of confidence in the future. The retreat had begun, and by the end of the year developments in New York had turned it into a rout!

DECLINE IN PRICES

The phenomenal decline in prices, especially of raw materials, created difficulties for all debtor countries, which must rely on the export of goods to pay their creditors. Germany must be included in this group, owing to an enthusiasm for technical modernization that had absorbed large quantities of foreign capital. England, which had

⁴ *Vide* several articles in the *Revue Economique Internationale*, during each year since 1924—
TRANSLATOR'S NOTE.

financed her on a large scale in order to maintain London's financial prestige, suddenly realized that the loans could not be repaid. British commerce, based upon short credits, was hampered by the scarcity of available funds; British circulating capital became frozen, and no funds were available for new loans. The widespread lack of confidence became more pronounced, and the accumulation of liquid assets, and even of gold itself, tended to depress prices still more. Indeed, it has often been pointed out that the gold standard tends to promote economic stability and business prosperity only when there exists between debtor and creditor countries a volume of trade adequate to prevent any large movements of gold from one to the other. The breakdown of that standard in England is the result of an attempt to extend the area of its operation too rapidly.

If the British taxpayer had been able to carry indefinitely the excessive burden of taxation—if the British manufacturer, oppressed by heavy social insurance costs and placed at a competitive disadvantage by the return to gold, had still been able to sell his goods abroad, England might have succeeded in escaping from her predicament. As it is, however, the apostle of free trade has been compelled to seek refuge under the covering of a protective tariff.

This tragic sequence of events in regard to England is similar to that shown by many other countries—especially those which still have a comparatively simple economy. An agricultural country, entirely dependent upon the current value of its crops, becomes suddenly bankrupt when the price of wheat topples. A mining area is ruined when the market price of its output falls suddenly. Increased efficiency of production only

tends to make such situations more serious. On the other hand, a country in which agriculture is mingled with industrial activity—and especially one where both are tempered by a well-developed commercial system—is less likely to feel the effects of a crisis. A portion of the population may suffer, but others will still be able to reap profits, and if the economic organization is sufficiently flexible to permit members of the former group to transfer to the latter, the general business situation need give no cause for alarm. France and Belgium are excellent examples of such a national economy, and they have the further advantage of an almost miraculous capacity for thrift. Yet, even in such cases as these, if the crisis becomes serious enough, there comes a time at which they join with the rest of the world in appealing to that last resort—tariff protection. Thus in a Europe where the various states are too small to develop a satisfactory diversification of economic activity, it is widely believed (even in England) that things must get worse before they can improve. Nobody thinks of international trade any more.

INTERNATIONAL FRICTION

We do not share that general opinion, and it would be futile to conceal the fact. International frontiers bristle with higher tariffs each year, and the international cartels and credit organizations, founded on high ideals, accomplish nothing. The nations of the world are waging upon one another an economic war that is more cruel than a conflict of armed forces. The growing irritation, presaging as it does an armed conflict in the train of the economic struggle, intensifies the evil by making capital timid and accentuating the fall of prices and the monetary chaos. It is a vicious circle from

which the only escape appears to be into a worse situation. If we follow the depression to its nadir, we shall find that war and famine will produce a situation many times worse than that in which we now find ourselves.

Such are the circumstances, in which we are offered various economic idylls as the means of escape from an imminent tragedy. We are told to adopt a Truce of God, which nobody, in his secret conscience, intends to observe, since too many of those who are expected to agree to it have the most powerful reasons for violating any such promise. It is for this reason that the best-intentioned of international organizations are sterile and powerless. We must therefore ask ourselves whether any possible escape from the situation can be found. Without formulating a detailed program, let us see whether it is possible to develop a new aim and a new method in regard to the discussions of European affairs.

III. THE EUROPEAN UNION

Only by the development of a European union can we ever hope to cure a continent so Balkanized by existing treaties. The most important characteristic emerging from our analysis is that this crisis, of more than normal gravity, is accompanied by the complete breakdown of the economic circulation, since the facilities of communication have developed more rapidly than the economic organization as a whole, and much more rapidly than the capacity of Eastern markets. Commerce is thus the chief victim of present conditions.

Looked at from this angle, the most important statement in regard to the appropriate remedies is that contained in the report of the subcommittee of economic experts appointed by the Commission for Study of the European Union, which was recently submitted

to the League of Nations. This concise document contains the following expressive passage:

We have unanimously decided that there is no possibility of improving the present condition of the world, and particularly of Europe, unless it is by way of an improvement in the free exchange of goods, of capital, and of labor. The greatest work in this field is undoubtedly that of the League of Nations, particularly since the International Economic Conference in 1927. Nevertheless it should be pointed out that these efforts, in emphasizing the need for a freer exchange of goods, have not paid enough attention to the relationship between this problem and those that arise in regard to international movements of capital and labor. Moreover, we are forced to the conclusion that the activity of the League of Nations in this field has, up to now, produced inadequate results.

The failure is to be explained not by the lack of faith on the part of the governments concerned, but by the numerous and increasing difficulties which several countries have experienced as a result of the war and the present world-wide depression.

For this reason we have asked ourselves the question whether, by means of a new conception of the ideal of European collaboration and a conscious modification of the economic relations existing between the various nations of this continent, it would be possible to create a new set of conditions more appropriate to economic progress and enduring peace in Europe. It must, however, be emphasized that any effort in this direction must have as its foundation a loyal spirit of coöperation in order to remove any suspicions which might prevent the attainment of such a goal.

RETURN OF CONFIDENCE NOT SUFFICIENT FOR REVIVAL

The experts, however, fully realize that it is not possible to cure the present state of international distrust by purely economic measures, and they justly qualify their report by the following reservations:

The lack of confidence is to be measured by the things that are *not* done, rather than by any acts of commission. It is found in great circumspection rather than in productive activity, in stagnation rather than progress.

Admittedly many other factors have contributed to produce the crisis, and mistakes have undoubtedly been made; but it is the psychological condition already described which has tended to prolong it unduly.

It is the duty of the several governments, supported by public opinion, to make an attempt towards a better understanding and a greater mutual support in order to reestablish a better state of affairs.

Such a policy, by eliminating the most disturbing elements, would facilitate the rehabilitation of the exchanges and permit the resumption of large-scale economic and financial operations. We do not hide the fact, however, that the return of confidence alone will not suffice to promote a revival.

Even if this should happen, we should still be faced with a multitude of problems in regard to the steep decline in the prices of raw materials, their relationship to the price system as an whole, the disequilibrium between production and consumption, the necessary reduction in costs of production, and the high level of public expenditure. Some of these problems lie beyond our field of inquiry; others can only be solved up to a certain point by European coöperation.

But the question may well be asked whether, even after the return of normal conditions, the weakness of the European economic structure is not due chiefly to the division of the continent into a large number of separate markets.

Undoubtedly the social and political problems are among the most vital of all those that confront us. To leave them unsolved would render sterile any attempted solutions in the realm of economics; but, since the remedies proposed in this report were embodied in the economic resolutions adopted by the second Commission, we need not discuss their work in regard to

industrial agreements and long-term credit arrangements. Of greater importance is the ideal envisaged by the experts in regard to the constitution of a European Union.

DIFFICULTIES OF EUROPEAN UNION

We risk complete defeat in wishing to set up a perfect *Pan-Europa* at once. A German author,⁵ in a very able study, proposes to substitute for it something that he calls *Plan-Europa*—a Europe consciously and planfully organized. Such an aim is more soundly conceived than the other, but even in this case, if a large number of states are included, on an identical basis, in the preliminary organization of the plan, the multiplicity of the participants will only tend to produce irritation and failure. Let us remember how difficult it already is, with our national organizations, to ratify our international agreements—a fact that is well emphasized in the experts' report from which we have already quoted. However excellent intentions may be in this field, we must remember that "there's many a slip 'twixt the cup and the lip."

In the words of the report, then, "The serious difficulties in the way of any immediate realization of a European union must not be overlooked, and we must study carefully the practical means by which mutual understanding is to be achieved." To this end the experts suggest the conditions which should, in their opinion, govern any international agreements—conditions which, excepting on one or two minor points, would not provoke serious discussion—and they suggest immediately that:

We do not wish to modify in any way the most-favored-nation clause, which must remain the essential safeguard of normal

⁵ Fleissig, Andreas, *Plan-Europa*, Leipzig: 1930.

international economic intercourse. In cases where new international agreements affect in any way the rights conferred upon a third state by the most-favored-nation clause, such agreements can naturally be put into force only after an understanding has been reached with the third state.

Once again we see how all plans for union are blocked by the interests of third-party nations. One single political or economic interest, legitimate or illegitimate, may thus destroy the functioning of the whole system. We should misconstrue the truth of international relations if we should imagine for a single instant that loyalty and altruistic good faith would govern them henceforth, and we should have to assume a complete moral regeneration of the world to expect that international good will would quench the opposition of third-party states. More and more, and for an increasing number of nations, we find that a sacred selfishness is the dominant note of policy.

IMPRACTICABILITY OF PROPOSED REMEDIES

A careful examination of the report of the experts demonstrates that they have fully realized this fact. The greatest ability and the best intentions have not succeeded in developing a practical method whereby we might attain to a European union—still less to world-wide coöperation. It seems to be another attempt to square the circle. From all that has been said, one conclusion seems to stand out: all the proposed remedies are incapable of practical application. Are we to assume that nothing can possibly be done? Certainly we must admit that in the face of the *impasse*, Europe has wasted ten years and accomplished nothing. In a recent article M. Jules Destrée points out that:

I should be the last person to deny that the League of Nations has already per-

formed valuable services. But in the face of the immediate crisis, when action is vitally necessary, it spends its time in discussion. Certainly the discussion is on a high plane, and is augmented by the work of numerous Commissions, each more learned than its predecessors; but what has come out of this conference of great statesmen to benefit the man in the street, who turns his eyes hopefully to Geneva in these impoverished times? Where is the European federation envisaged by Briand? What has happened to the plan for free trade throughout Europe? What was done in regard to the conclusions of the Economic Conference, and to those of many other laudable proposals made by duly appointed experts? The palace of the League of Nations is still embedded in the earth—a symbol that perhaps explains the general inaction.

What has made all these great men, whose courage and ideals are above suspicion, so prudent and hesitant? Sometimes one wishes to shout to them, in the words of Danton: *De l'audace, encore de l'audace*. Courage in the formulation of ideas and courage in executing them. This is a period of crisis for democracy, although I hope that in the long run we may find the leaders we need so sorely. Should we fail in that search, it is to be feared that the peoples of the world, deceived and wearied, will set out to manage their own affairs. I am not at all sure that they will improve the situation; indeed they may make it very much worse—but revolution lies at the end of depression, if it lasts long enough.

We are entirely in accord with this opinion; yet, equally with those he criticizes, M. Jules Destrée offers no remedies. Although I am not ambitious enough to attempt to fill the gap that has been left, the brief ideas set forth in the following section of this article may serve as a preliminary to action of a more fruitful kind.

IV. A TEN-YEAR PLAN

Briefly, the new world-market, born of machine technology, stands in con-

trast to the parceling of Europe into numerous states which oppose their ancient rivalries to the development of remedies of a commercial or financial character.

The Francqui Plan is excellent, and, at the beginning of the economic discussions of the League, several able members regarded it as the only means of attaining a solution of the present problem. But a careful examination of other factors which were at first overlooked, changed this conviction into a recognition that, no matter how important credits and financial machinery might be, the real causes of the crisis were so deeply embedded in social and political conditions that this financial remedy, even if completely carried out, would only bring temporary relief. It is this environment of uncertainty that swamps all of the remedies proposed; it is this mysterious psychological attitude that so many of the experts have summed up in the phrase "crisis of confidence." It has long been recognized that credit rests upon the confidence of the lender in the borrower; but the lack of confidence today extends beyond the realm of credit, and undermines the operations of the capital market. Trade and the control of trade, and all the forms of credit that arise out of commercial transactions, together with the distribution of capital itself, appear to be infected with the virus of widespread distrust to such an extent that no financial institution is functioning normally.

Unemployment is one of the gravest social manifestations of this paralysis. Even this chronic social evil has been accepted: the out-of-work has become independent through the "dole," and our parliamentary régime has created out of the unemployed an electoral power in each country.

CONFLICT BETWEEN GOVERNMENTS AND COMMERCIAL PROGRESS

But above all, we find that governments themselves are suffering from mistrust. We would even go so far as to suggest that from our point of view, the principal cause of the crisis is to be found in the functioning of governmental institutions that are not adapted to handle the social and economic problems which are already beyond their control. The conception of the modern state, and above all the conception of its keystone, sovereignty, can be traced directly to the renaissance of learning (and of kingship) in the sixteenth century. The King was the State: the ruler was conceived to be the nucleus of his dominions. This centralizing ideal, in strong opposition to the multiplicity of local administrations characteristic of the feudal system, was undoubtedly a beneficial step forward at the time at which it was evolved. It brought a larger number of men into the same political body and forced them to live under the same laws.

Today the problem before us is the same, but on a much grander scale. The rapidity of communications, which has increased by leaps and bounds during the past fifty years, has greatly facilitated the movement of goods, of capital, and of men—but our institutions still remain in the ancient ruts. Far from adapting themselves to this steady widening of markets, our institutions may be said to have served chiefly as obstacles to the process of enlargement! The more quickly goods can be sent from one end of the world to the other, the higher the tariff walls erected by the various nations to impede the natural course of that movement.

The present crisis arises chiefly out of the contradiction between our ideal

of the state, a legacy from the hoary past, and the operation of technical forces which ever point toward the future. In my opinion it is chiefly the conceptions of law and government that we must reformulate.

WE MUST GO FORWARD

Since, in following the discussions at Geneva, the growing comprehension of the elements in the present situation compelled us to go beyond the narrow fields of economics and finance in order to contrast the needs of world trade with the restrictions imposed by governmental institutions, it follows that any remedy must concern itself primarily with the adaptation of the latter to the former. How is this ideal to be attained?

Recent discussions at Geneva, and even the work of the experts, have been weakened by the acceptance of unsatisfactory methods. The most important recent contribution to science is the idea of the relationship between cause and effect. We no longer ask ourselves whether a social phenomenon is right or wrong. We confine our activities to the collection of data, the comparison with similar situations, and the verification of inferences, by this method enabling ourselves to discover the direction in which the various forces are operating. Not so long ago, Man sought for the cause of things in the graveyards of a dead past: today our gaze is turned to the living future. We have learned that conditions are continually changing. In the light of this guiding principle, it is obviously inadequate to ascertain only the historic origins of the present crisis; a better aim is to attempt to formulate practical measures that look toward the future, to plot the course which the state of tomorrow must follow on the ocean of international commerce.

Soviet Russia has developed a five-year plan so well adapted to a Slavic population that it might equally have been developed by Potemkin or Peter the Great. Western Europe, equally, can only hope to escape from its present situation if several states offer an analogous example by coöperating in the performance of an even more permanent program by means of a ten-year plan. Such a plan is more than a tariff truce; it would not aim simply at the maintenance of the *status quo*. No nation, no group of nations, can keep abreast of the phenomenally rapid progress of the world by marking time. The only way out of our present *impasse* is to go forward. Our ideal must be the widespread progress of those nations which realize that, having been created by the triumph of centralizing over decentralizing forces, they must, in the complex economic environment of the twentieth century, immediately join forces through the coöperation of their governmental institutions.

A SMALL BEGINNING

The problem of developing such a ten-year plan is concerned with moral, political, and legal factors just as much as with those in the field of economics, and, since unanimous agreement is required of the participants, it must be put into practice by a small group of European states. The most promising group consists of those that have suffered least from the crisis, and the starting point for the discussion might well be found in one or other of the regional ententes already recognized by the League of Nations. If I might suggest the countries to be included, tentatively and purely in order to clarify the idea, I would offer the following list in the probable order of their adherence to such an agreement. A beginning might be made by Belgium,

Holland, Luxemburg, France, Italy, and Switzerland; Spain and the countries of Central and Northern Europe might come in at a subsequent time, and England still later. But even if we assume that only three or four of these should agree to such a proposal, the state of Europe would become simpler and healthier.

Naturally the question arises as to the terms of such an agreement and the nature of the plan, but it is impossible to do more than sketch in the broad outlines of the answers to these important questions. Let us imagine that, at the suggestion of Luxemburg, a Western Commission (*Collège d'Occident*) was set up, composed of one commissioner (*consul*) from each of the participant states. Such a commission would have within its jurisdiction all economic matters affecting more than one of the constituent nations, especially those arising out of trade and commerce. Moreover, in each nation, every ministry or department dealing with questions of international significance would be linked to the corresponding ministry in the various other constituent nations, each group of ministers forming a subcommission, to discuss matters among themselves, under a chairman elected from among themselves. The primary aim of such an organization would be to reduce friction and to coördinate the efforts of all the members. In the case of national defense and armaments, for example, the larger the number of countries adhering to such an organization, the greater might be the reduction in the expenditure on defense without any corresponding reduction in security.

This example is a very important one. We are not blind to the steadily increasing dangers of a new war. This fear is one of the most pernicious intangible elements which retard the flow of capital and intensify the crisis.

As long ago as 1913, M. Constantin Stameschkin published a short but interesting pamphlet entitled *Armistice temporaire des Etats européens*.⁶ Nobody listened to his prophetic appeal. Is it exaggeration to suggest that perhaps a new war is as close at hand as it was then, if the ten-year plan of a Western Commission, similar to that outlined here, meets with no greater success than did Stameschkin's proposal?

GRADUAL DEVELOPMENT OF THE PLAN

In addition to the other advantages and economies offered by such an international organization to its members, there is, most important of all, the ten-year plan itself. In this article the reader must expect no more than a general outline of the more important elements to be included, and even that is no easy task. An economic plan suited to Western Europe could not include anything similar to the regulation and encouragement of production by Soviet Russia. It would rather be extended gradually to cover industries already ripe for trustification or cartelization. The world has recently observed the creation of a satisfactory convention in regard to sugar—a convention that was made possible because of the relatively small number of interested parties. On similar lines, we can conceive of an economic plan (*plan d'échanges*), agreed to by the constituent nations, which would cover the rationalization of industry and agriculture, and, perhaps even more important, the supervision of foreign sales in the more important products. With regard to colonial problems, especially in Africa, the plan would include such matters as standardization of practices, the distribution of ownership of commercial enterprises, and the general coördina-

⁶ Paris: Figuière, 1913.

tion of transportation and credit agencies.

While Stalin dreams of striking the sky with his scepter, to make it pour out factories and harvests, the Western world would attain the aims of its plan little by little during the ten-year period. Although a Russian autocracy may speak imperiously of five years, we should expect at least twice as much delay in the Occident. Our plan must be, in many respects, opportunistic, and its development cannot therefore be laid down definitely in advance. Of one thing, however, we may rest assured: it is primarily in regard to trade and commercial activity that such coördination will prove beneficial. It is scarcely to be expected, in the field of finance, that France will decide to divide her hoard of gold among the constituent states; but we do expect that she will coöperate with them in her financial policies, doing her best to facilitate the flow of funds to the industries and the trading groups of all the nations subscribing to the agreement.

While the Russian plan is crystallized in all its details, the ten-year plan proposed here is amorphous, and will shape itself gradually as the potentialities of the future are realized. While the one is tyrannous in its application and primarily devoted to production,

the other is based upon the ideals of democracy that inspire the community of merchants with whom it is chiefly concerned. The five-year plan has placed power in the hands of untrained committees. The proposals here offered envisage a coöperative and experienced reconstruction of our commercial organization, without which the Western world seems doomed to gradual decay.

IMMEDIATE ACTION NEEDED

In conclusion, it may be emphasized that if we hope to derive benefit from such a plan in the near future, we must set to work at once. The state of inaction that has already lasted for thirteen years must give place to systematic and coördinated activity on the part of at least a few Western nations. We must show the man in the street something that will restore his faith. Only by such a healthy and disciplined economic program can we hope to terminate the depression and to bring back prosperity, for without a carefully thought-out plan we cannot hope to cure the lack of confidence which is the chief weakness of the present situation. Only by means of a sound plan carried out jointly by several nations, can we hope to restore order and security to Western Europe.

Regional Economy and Economic Regionalism¹

By LUCIEN BROCARD

IN AN age like ours, when the restraints imposed by nationality (especially among the smaller states of Europe) are thought to limit unduly the development of international coöperation, when the more courageous minds have already come to regard the proposed European Union as a step towards an economic union of the whole world, the ideal of economic coördination within the minute limitations of the region is in danger of appearing to be an obsolete and retrograde notion. It will, perhaps, be regarded as useless in furthering the development of economic coöperation, and therefore as unworthy of any serious consideration.

Such an opinion, however, widespread though it may be just now, is not in line either with the evidence of economic science or with the practical aspects of the problem that confronts us. Contrary to general impression, which it is not at all easy to correct, there is no opposition between the ideals of economic regionalism and international economic coöperation in the true sense of that term. On the contrary, there exists between these ideals a relationship very similar to that which links the concepts of national economy and world economy. The success attained in the organization of a world economic system will depend largely upon the extent to which the existing national economies are effectively organized, either by the state itself or by the coördination

of private interests within the country. If the members of each nation are able today to coöperate among themselves efficiently, it is because those members are grouped into regions, localities, or communities which, in their turn, constitute the basic economic organisms by means of which the general interests of the whole nation are coördinated and advanced. If, moreover, these smaller units have tended to maintain or increase their importance, we can find the reason in a realization of the fact that human coöperation has never developed, and cannot develop, by an indiscriminate grouping of all kinds of people, irrespective of the part of the world to which they belong and the legal system under which they live. Human coöperation may be said to develop in the form of concentric circles, the larger units being built up around the smaller ones—not destroying them, but combining with them in such a way that the satisfactory functioning of the largest group depends integrally upon the smooth working of the smallest among the units that compose it.

The two smallest units in such a scheme of things, so closely related to one another that it is impossible to separate them, are the *Region* and the *Township* (*Commune*). By the term "region," we denote an economic and political subdivision of the nation, which, in its turn, includes several of the smaller townships as a part of its structure. Both units may vary in size and in the degree of independence that they possess, but they can always be distinguished, and the functions that they perform are almost always

¹ Translated by F. Cyril James, Ph.D., University of Pennsylvania, from an article appearing in the *Revue Économique Internationale*, November 1931.

the same. It is the collaboration of the region and the township, in the organization of the national economy, which concerns us in this essay.

I. THE ECONOMIC FUNCTION OF REGIONS AND TOWNSHIPS IN THE NATIONAL ECONOMY

The fact that both regions and townships constitute centers of activity clearly separated from one another, centers that coöperate with one another but within which there is an even higher degree of coöperation, can be easily demonstrated by evidence that is not to be gainsaid.

The basic element in both the regional and the local economy, the element upon which all others are built, is the close and frequent contact between the individual members. Within the township this is fully realized, and even within the region the relationships are sufficiently vital to develop a community of interest. From this simple fact, the banality of which so often hides its supreme importance, have grown important technical, economic, and legal results which combine to make of the region or the township a well-defined unit—a small economy, welded to many others, but distinctly preserving its own individuality.

People who spend their lives in close contact with one another (a condition even more characteristic of the township than of the region) develop not only an understanding of one another's needs but also an ability to work together for a common aim, no matter whether that aim be private or social. It is this fact that gives to the township an importance that does not belong to the nation, to the world economy, nor (in the same degree) to the regional economy itself. The township is the only unit within which there is direct coöperation among the individual members.

LOCAL AND REGIONAL TRADE AND INDUSTRY

Production, in the strict sense of the word, through the coördination of many specialized kinds of labor, is essentially a local and regional phenomenon: occasionally it has been extended to a whole nation, but hardly ever has it existed efficiently on an international basis. Since direct co-operation necessitates the close and continuous contact of the individuals concerned, or at the very least a certain feeling of proximity, it naturally follows that the inhabitants of each locality and of each region seek to use to the best advantage the natural resources and talents that are available, and since all such areas tend to possess a variety of such resources and talents, there tends to develop within each of them a diversity of economic activity. The various trades and professions lean upon one another for mutual support, because they are complementary to one another.

Hence, the peoples of the world, far from developing an international division of labor in which each country would specialize on those industries for which it was best fitted, are not even operating on principles of local or regional specialization! In each region and each township there exists a highly developed and very complex economy, while the economic structure of the nation is even more complex than that of the region. This economy becomes increasingly more complex as we increase the natural resources of the territory and exploit them more efficiently.

Such a condition does not, however, prevent the regions (or the countries themselves) from exchanging many of their products with one another. Indeed, the volume of such exchange appears to increase in direct proportion

to the complexity of the economic organization of each unit. By means of this process of exchange, countries or regions are able to obtain products of which there is a scarcity in return for those of which they have a surplus, allowed to obtain commodities which they cannot themselves produce, and enabled to share in the foreign markets for those products which several of the units may produce in common.

This orientation of local and regional economy has produced a situation in which, despite the considerable volume of inter-regional trade, the system of exchange within the region or the township is even more highly developed. Most of the products "exported" from the region are drawn from its soil or subsoil and, before passing out of the region itself, have given rise to several local transactions. Such products, a large portion of which, moreover, are consumed within the region itself, are sold at prices closely related to the local costs of production—varying more or less from one region to another—and these, in turn, depend upon a complex system of other local prices.

It follows that, within each region or township, prices are closely related to one another, the degree of relation depending upon the volume of transactions, and that this relationship is much greater within each unit than it is between one unit and another. A single price for a defined product, which characterizes the economic ideal of a market, is thus more fully realized within a township or a region than it is among several such units; so that the township may be said to constitute the only true market. Undoubtedly these townships act upon one another within a single region, so that a regional market may be said to exist; but the action of the regions upon one another within the nation is very much

weaker. They never merge their identity to the same extent, but remain, in the true sense of the term, "geographic markets" (*marchés territoriaux*), which deserve to be studied more carefully than they have been in the past.

These local and regional groups of producers, buyers, and sellers are separated from one another by economic frontiers that are not always clearly defined and are sometimes almost indeterminate. They overlap one another to a greater or lesser degree, and can be distinguished more easily by their centers, which generally consist of a single town or a group of towns closely related to one another. In this respect they may be contrasted with the nation, which is usually destitute of any well-defined center, but has frontiers that are precisely delimited and always more or less difficult to cross. The local units are not, however, entirely without frontiers. They have administrative boundaries that inclose states, counties, cities, and townships, within each of which there exists a local authority empowered to levy taxes on the inhabitants and charged with the duty of spending its income in the best interests of the group as a whole—thus reinforcing the economic bonds by fiscal and legal ties which help to give to townships and regions their economic individuality, and so serve to maintain each unit distinct from all others.

REGIONAL DIFFERENCES

But it is not only from these economic, fiscal, and legal viewpoints that townships and regions may be differentiated. They differ from one another in their human characteristics, in regard to the size and density of their populations, and in regard to the number and the size of the towns and villages included. The size of the

population, moreover, is closely related to the economic activity of the region. As activity increases, larger numbers of people are attracted to the area; and, as population grows, there is a reciprocal tendency for the volume and diversity of economic activity to increase. Between poor regions and rich regions, between those that are purely agricultural and those in which industrial economy has developed a high degree of complexity, there are considerable differences in this respect.

Differences are also apparent when the population is studied not from the point of view of its size but from that of its distinctive characteristics. Even when the groups are least integrated, there is found in each region (and to an even greater extent in each township) a greater degree of homogeneity than exists between different localities—especially when they are widely separated from one another. The inhabitants of the same region always speak the same language with the same accent; there is found among them a certain community of ideas, of tastes, and of habits which gives rise to a more or less well-recognized diversity between regions, even within the same country. All Belgians, all Swiss, all Americans, or all Canadians do not speak the same language. From one region to another, the mannerisms of speech, the accent, and the intonation will vary, and so will the mental reaction to similar events.

Moreover, although in all regions and all countries there is found a mixture of several races, great variations are found in this matter between different regions and even between different localities. While the ethnical type of the country as a whole is usually more or less vague, and identified only by a few characteristics that are sometimes none too prominent, the situation within a region or a township is

usually much more clearly defined. The Flemish people differ clearly from the Walloons, and nobody would mistake an inhabitant of Lorraine for one of Provence or even for an Alsatian. Within each region there are many points of resemblance.

What is the cause of these points of resemblance and difference? They must be traced back to the point from which we took our departure—that close proximity between individuals, that close and continuous contact that places them under the influence of the same social, professional, and geographic forces, giving them the opportunity to see and hear one another and to share one another's ideas, until all are unconsciously approximating the same model. But proximity exercises an even more profound influence, reinforcing all these others to a very great degree, in that it gives rise to marriages that unite families and, through the force of heredity, distribute throughout the community similar biological and psychological traits that tend to accentuate clearly the ethnical individualism of each area.

REGIONAL SOLIDARITY

So much for the basic factors that have operated to produce in each region or township an independent but highly developed economic, legal, and ethnical unit. In order to measure the importance of these factors it is now necessary to study the situation which they have jointly produced.

The result of their operation may be summarized in a sentence. They have produced a solidarity within the region and the township, which is apparent from the fact that in each area all the industries, all the enterprises, all public services, and all social classes (despite the competition that often exists between them) are dependent upon one another and are bound to one another

by a common interest that is much stronger than any tie that exists between one region and another. So closely are they united that all must prosper together, each benefiting or suffering from every influence that affects the community or any single member of it. This internal solidarity does not preclude the possibility of powerful inter-regional groupings, but it is much stronger than the bonds that unite these groups, as is evidenced by the fact that such groups never develop homogeneously. Some towns or regions will develop rapidly within the group, while others remain stationary or decay.

Such internal solidarity is the result of the joint action of all of the forces previously discussed. Physical and technical factors lead to the common exploitation of the territory by industries which furnish one another with both materials and markets; economic factors operating upon the homogeneous price system within the regional market affect every industry at the same time and to a similar degree; legal and fiscal factors unite the inhabitants in the administrative area, since all must share in the burden of taxation and all profit from the expenditure of the funds; while, finally, the human factor arising out of the effects of industrial development upon the population and the psychological, moral, and ethnical homogeneity of the group, facilitates the coöperation of the members and superimposes upon the economic solidarity a bond of mutual sympathy that might almost be called a local patriotism.

REGIONAL TENDENCY TO MERGE

These constituent elements of the local and regional economy are to be found in every part of the modern world and in every epoch of human history. They will continue to operate

in the future, since human coöperation and its organization show permanent characteristics which are closely related to the immutable nature of human psychology and to the characteristics of the geographic environment in which we live. But at any given time, these permanent qualities are combined with other, temporary characteristics which often assume so great an importance that they color the whole problem. The rapidity of economic evolution during the past century has had a profound and complex effect upon the regional economy, and its influence has frequently been misunderstood. The influence of these developments is manifest in two different and contrary ways: in the first place, as every one has realized, it has tended to weaken the effect of the forces that built up the regional economy; but it has not been generally understood that, in the second place, it has in some ways tended to strengthen their operation.

The influences that have weakened the constituent factors of the regional economy and thus diminished its independence, are those that have operated to enlarge the sphere of economic activity and to link up the various regions into an organized national economy. Chief among these influences is the growing efficiency and the diminishing cost of transportation, which, combined with increasing specialization and division of labor, has led producers to seek both markets and raw materials in newer and more distant regions—sometimes even leading them to move their factories bodily from one region to another. In this way there have grown up large enterprises or groups of enterprises which, like the banks, the metallurgical industries, and the chain stores, scatter their branches from one end of the country to the other, while at the same time the governmental organization has

superimposed upon the regional administration a network of institutions that grows more important as the central government expands its functions.

All of this has tended to cause large movements of population as a result of the continual transfer of employees and public officials from one part of the country to another. A new nomadic population has developed, the ranks of which are swollen by countless other persons who, for various reasons, are changing their residence. The continual movement of these nomads creates an increasingly widespread exchange of ideas and tastes, and throws together persons of widely different habits and heredity, so that the differences between various regional groups are progressively destroyed. Local dialects, local languages, and local customs—all those things that helped to give a region its individuality—are rapidly disappearing. Finally, it must also be remembered that the growing volume of inter-regional trade is tending to accentuate the influence that regional markets have upon one another, and to reduce the economic isolation of each of them.

Through the action and interaction of all these forces, the townships tend to coalesce into regions, and the regions are integrated into the national economy, which gains in unity and cohesion as the smaller units lose their independence. The nation has become an economic unit as well as a political entity.

REGIONAL TENDENCY TOWARD INDEPENDENCE

In the light of the ever increasing power of these forces, the results of which are cumulative, one is almost willing to agree with the abstract theorists that regions and townships are nothing but survivals of an ancient past that will be washed away by the

floods of time. But we must be on our guard lest, by projecting into the future our ideas of present tendencies, we overlook the fact that these forces are already opposed by conditions which have survived the process of economic change, and have, indeed, been somewhat strengthened by it.

In the first place, whatever happens, direct personal coöperation in both business enterprise and governmental service—a coöperation essential to all productive activity—will always be a local phenomenon, not only in regard to the mechanical operations of industry and their supervision, but also in regard to many kinds of intellectual activity. The local character of such coöperation can never be destroyed, and it will continue to engender in the individuals concerned a powerful bond of solidarity. Moreover, the expansion of the local area in which coöperation is possible, the enlarged groups of people contained in the towns, and the steady progress of industrial concentration, have tended to bring within the boundaries of the region or the township a larger and more important diversity of activities, while the larger population generally includes a greater nucleus of able men. More capable of administering their own activities, and increasingly impatient of the restraints imposed by any central body, such regions or communities aspire to manage their own affairs, and their aspirations become more difficult to refuse as the functions of administration increase in number and complexity.

RESULT OF OPPOSING FORCES

What is the ultimate result of these two sets of opposing forces? It bears the marks of the diverse influences that have produced it, and is to be found in the growing strength of both the national economy and the regional economy. Not only has the nation

become an economic as well as a political unit, but its development has progressed to such a degree that it must now be regarded as the most important unit in economic affairs. The regional economy, however, and even the local economy have both been enlarged, and their independence and individuality have been strengthened by the growth in size. Moreover, in many countries the direction of nation-wide chain stores and of various governmental services has been decentralized on a regional basis. Indeed, so far has this development extended in some cases that it must be regarded as dangerous to national unity.

It is true, on the other hand, that in some cases the direction of evolution has been toward greater concentration, as is exemplified by Germany and Switzerland; but the fact that this centralizing tendency (itself due to an excessive regionalism) progresses very slowly, in the face of an active opposition, testifies to the strength of the regional economy. Even more general is the evidence offered by the unequal rate of growth of various communities, to which attention has already been drawn. While some regions develop rapidly, others show little or no progress. Despite the steadily growing importance of the national bonds that unite them, it is still apparent that the progress of individual regions often depends upon the decay, rather than the improvement, of their neighbors.

In summary, then, the regional economy has lost some of its previous independence and has become an integral part of the national economy. The integration of the various regional units into a national economy has been superimposed upon the old structure in which several communities were linked together to form a region. But the development of inter-regional co-

operation has not destroyed the internal structure of the region itself; indeed, it has tended to strengthen it. Coöperation of the various regions included within the frontiers of the nation has developed alongside of a continuous evolution of the regional unit itself. The two movements have acted upon one another and strengthened both the national economy and the regional economy.

II. REGIONAL POLICIES

In the light of this situation, what should be the national policy in regard to the regional economy? At the outset, it must be recognized that such a policy cannot be uniform in the sense that it would be suitable for all countries, no matter at what stage of economic evolution they may be. It must be adapted to the country and the period, but in all cases it must incorporate certain major principles that are worthy of discussion.

To begin with, regional policy (on the part of both national and regional authorities) should be such as to enable the region to make the best use of its natural resources and of the peculiar abilities of its population by developing all those types of economic activity which will tend to enrich the nation through the growing prosperity of the region itself. The unused resources of the region are lost to the nation as well, since both are deprived not only of the actual resources but also of all the advantages that would accrue from the increased volume and diversity of economic activity.

In order that the inhabitants of a region may insure its greatest economic development, it is necessary that the national government should allow them sufficient freedom of action to give free rein to their initiative and to stimulate their energy, in evolving that form of economic organization

which is most suited to local conditions. The direction of local affairs should be in the hands of men who are familiar with them from long experience and who understand the region they administer. In the field of public administration, as in that of business enterprise, excessive centralization is an obstacle to progress, since it paralyzes the activities of the region and places upon the shoulders of the central authority a burden which, by reason of its ignorance of local conditions, it is not fitted to bear. The inconvenience of such centralization grows in direct proportion to the number and the complexity of the regional activities administered, and it is to this fact that we must attribute the movement towards regional decentralization that has been evident, in greater or less degree, in all countries possessing a centralized administration.

REGIONAL COÖPERATION

But the independent development of the regional economy, no matter how far it may be carried, is not enough to insure its greatest well-being. In the case of the region even more than in that of the nation, the day of isolation is past. To an even greater extent than the nation as a whole, the regional economy depends for its complete development upon continuous contact with other regions, so that, by coöperating with them, it may facilitate the movement of commodities and of men. It is necessary to combine with the complex economic development already discussed a certain geographical specialization of industry, by means of which the various communities may accentuate the prosperity of one another and of the whole nation.

Since the nation is—politically at least—united, it has not been faced by the stumblingblocks over which most attempts at international geographic

specialization have come to grief. The economic, social, and political homogeneity of the nation, the use of the same language and the acceptance of the same traditions, the common legislation, and the coördinating fiscal activity of the central government, which collects taxes from all parts of the country and disburses its revenue in every region—all these factors combine to produce a situation in which, in well-governed countries at any rate, the coöperation of the various regions is recognized to be beneficial to all of them. All regions share in the growing wealth of the nation, to which, also, all have contributed, and even those that have declined relatively to the rest, are enabled to obtain a fair share of the general advantage through the activities of the central government.

For these reasons the national policy should aim at encouraging the maximum coördination and interdependence of the various regions, carrying the development as far as possible, so that all communities may participate equitably in the general benefits and bear a proportionate share of the burdens involved. Such an ideal is not easily attained, even within a single country. It will meet with difficulties and active opposition, which often leads to severe struggles and sometimes to war, as is shown by the history of the United States, of Norway and Sweden, and of other countries.

METHODS OF CENTRAL GOVERNMENT DIRECTION

Although the various regions should have considerable freedom of action in order that they may manage their affairs most satisfactorily, it is apparent that the central government must direct the policies of all of them in its rôle of conductor of the economic orchestra. The various members are not required to play the same instru-

ment or the identical notes, but each must fill the rôle for which it is best qualified, in such a way that, under the leadership of the conductor, the symphony may be harmonious. Provided that such direction on the part of the national government is in the best interests of the country as a whole, it will in the long run prove most beneficial for each separate region.

Thus the policies of the national economy and those of economic regionalism are, like all policies, and indeed like most things in life, made up of discordant elements. They have evolved, and must continue to evolve, between the Scylla of excessive centralization that paralyzes administration and hampers economic development, and the Charybdis of extreme decentralization which endangers the existence of coöperative effort and tends to engender regional and class antagonisms that may ultimately destroy the nation itself. The only satisfactory course lies midway between these two ancient perils.

The plotting of this course, however, will differ from one country to another, and even within a single country it will not be the same at all times. The appropriate policy depends upon all the peculiar circumstances of time and place, sometimes aiming at greater centralization and concentration, sometimes decentralizing administration to attain greater efficiency. While one country finds a centralized government most satisfactory, another will prefer a federal constitution, and still another will be best served by a simple federation of independent units. Some situations favor a trustification of industry; in others the cartel is preferable. Commerce and banking have developed satisfactorily in many countries through the growth of localized institutions, while others are equally well served by vast branch-banking systems. As with

all other problems, the national policy in this regard must adapt itself to all the elements discernible and must make use of the best methods available, sometimes attaining its end by apparent pliability and diplomacy, but using strong measures when the occasion warrants them. Above all else, such a policy depends for its success upon the tact and the experience of the statesmen who formulate and administer it. They must be men who are familiar with conditions, who understand the people with whom they are dealing, and who can inspire the full coöperation of all classes, all parties, and all regions.

AIM OF REGIONAL POLICY

But, even though the methods adopted in regard to such a policy are continually changing, the aim is always the same. The ideal must always be the fullest development of all of the regions through the best use of their internal resources and the development of harmonious coöperation between them, so that the national interests may be protected and furthered. In an age like ours, when industrial technology and economic organization necessitate a continually growing area of coöperation, not only between nations but even between continents, the breakdown of the national economy and the resultant rupture of the coöperative chain produces a serious loss for each of the sections into which it may be divided. The national economy, and the international economy also, will function most efficiently when its constituent units are small in number and well coördinated.

When, as in some parts of Europe, the breakdown of the old coöperative organization is due to the peculiar conditions under which it was organized or imposed, we must resign ourselves to the fact; but at the same time we must exert every effort to prevent any fur-

ther breakdown and to minimize the economic losses from those that have already occurred. Such losses are naturally greatest in those cases where the national economy which has been subdivided is comparatively small, so that the new units feel the full inconvenience of developing an economy within a very limited area.

That an immense nation like Russia should suffer the loss of some of the territory on its borders is perhaps, from the viewpoint of an excessively subdivided Europe, a disadvantage, but it does not seriously interfere with the economic development of Russia. But if Alsace and Lorraine, freed from their German bonds, should have followed the spacious train of ideas that glides from regionalism into complete autonomy, and set up as independent states, this would have been a serious loss to the French economy, and would have placed little Alsace in an even more unpleasant position, since she would have been forced to rely upon her own resources and would have been hindered in her economic intercourse with both France and Germany. Wedged between two enormous economic units (in comparison to her own size), Alsace would have been destined to decline and perhaps finally to be obliterated.

The same thing would be true of Belgium if the differences of language, race, and culture that separate the Flemish from the Walloons should burst forth seriously enough to interfere with the efficiency of the national economy; and this is also true in regard to several other countries. Once again we see that the regional economy is still a very real and vital unit—sometimes too active a unit and none too well adapted to the need for national economic organization.

The final aim of both national and regional policy must therefore be to

develop among all regions an active coöperation which still leaves to each the liberty of action necessary for the best management of its affairs. At the same time, moreover, every effort must be made to coördinate the economic activity of the various regions in such a way that each will share in the prosperity of all the others and participate equitably in both the advantages and the burdens of the nation as a whole.

III. COÖPERATIONS BETWEEN REGIONS AND BETWEEN NATIONS

It follows from the preceding discussion that the organization of the national economy is not developed by a planless coöperation on the part of all the inhabitants; it is an organization made up of several smaller units geared to one another. The essential units in the national organization are the regional or local groups, the members of which are bound to one another by ties which give to their coöperation—even under an individualistic system—a collective flavor. It is these groups, rather than the individual inhabitants, which coöperate to form the national economy. As we study these aspects of economic coördination within each nation, however, it becomes increasingly apparent that international economic coöperation, which extends the ideal of inter-regional coöperation into a wider field, is essentially based upon the coördination of the activity of several related territorial units in a fashion similar to that already discussed.² In the minds of those who

² Should the economic organization continue to develop along lines similar to those of Russia, Germany, or Italy, growing steadily closer to the ideal of state socialism, the collective idea of the national economy will become even more true. In the past the ideals of socialism and nationalism have usually seemed contrary to each other, but today they tend to coalesce involuntarily.

wish to develop an international economic system, the thought immediately arises that, by a careful study of the methods by which the regional economies are coördinated, it may be possible to find some principles applicable to the solution of the wider problem.

The ideal solution to this international problem would be found in the application of policies identical to those set forth in regard to the regional economy. The natural resources and aptitude of each nation should be developed as completely as possible, and there should be a maximum coördination of the activities of the several countries under the direction of some central body charged with the function of welding the various nations into a harmonious international economy by methods similar to that adopted by the national government in regard to its constituent regions.

INTERNATIONAL COÖRDINATION

It cannot be denied that if Europe during the past ten centuries had been developed as a united state, she would have found in the extent of her territory and the diversity of her resources—to say nothing of the increased security and the greater opportunities for specialization and concentration of economic activity—economic advantages so tremendous that we can comprehend them only by observing the rapid development of such large nations as the United States.

But it would be futile to expect that any such solution of the problem will immediately be found either for Europe or for the world as a whole. A thousand years of history cannot be washed off the slate in order that we may write upon it a new and comprehensive formula. When we pass from that ideal world that we wish to develop to the actual world of everyday life, we

become aware that any such transition would meet with very serious obstacles. If the several nations should, as we have suggested in the case of the regions, succeed in developing their own economic organizations to the greatest possible extent, the perfect coördination of their activities would still be hampered by the absence of any homogeneous international economy and by the national traditions of antagonism and independence. International economic solidarity has not yet developed; there is no international government capable of coördinating and directing the activities of the various countries, and it would not be easy to create one. In the face of such obstacles there is no way of determining how far, or in what form, such an international economic organization could be developed.

Nevertheless it is apparent that, despite the difficulties and dangers of coördination, economic evolution is inevitably forcing us toward some such ideal. We are not faced with the problem of deciding whether an international economy should be developed, but of finding out how it must be constructed and along what lines. There can be but one solution to this problem. It must be developed by cautious progress in the direction of international economic coöperation along the lines of inter-regional coördination. In the preceding paragraphs we have attempted to show how this transformation might be effected, and at this point it need only be suggested that the sound organization of an international economy will be best developed by a careful study of inter-regional coördination and a wise application of the fruits of that study.

Properly understood, the national economy is no more a barrier to the development of an international, economic organization than is the regional economy to the growth of an economi-

Are Sanctions Necessary for a Successful International Organization?

By RAYMOND LESLIE BUELL

IN THE last six months, the world has witnessed what it had hoped it would never witness again¹—a “war” between China and Japan, a war which has caused a terrific amount of suffering and loss of life and which has resulted in the loss to China (a temporary loss at least) of its three northern provinces in Manchuria. There is no doubt that in using force against China, Japan has violated its obligations under the Washington Treaties, the Anti-War Pact, and the League Covenant. There is no doubt that in securing its political objective—the establishment of a puppet state in Manchuria—Japan has violated Article X of the Covenant. Despite this fact, the League of Nations and the United States have resorted to nothing more than moral pressure against Japan; despite the existence of Article XVI in the League Covenant, imposing a contingent obligation upon the members of the League to take economic measures against an aggressor, no government has seriously contemplated such action during the last six months.

It is a curious fact that many genuine friends of world peace, instead of criticizing governments for their failure to live up to their international obligations and to rally to the support of the world community, are saying that we

have expected too much, that we have gone on the wrong line, that we should strike out from international covenants all provisions for coercion, and rely solely upon good faith and moral pressure.

RESULTS OF INTERNATIONAL INACTION

During the last six months the world has relied only upon good faith and moral pressure, with what result? Terrific injury caused by war in China, and the dis-annexation of the richest part of China—the destruction of its territorial integrity. What is more, a blow has been struck at the development of the international community, while a revival of nationalist distrust has taken place. It is obvious today, I think, that as a result of the aggressions of Japan in China, millions of Chinese have come to believe that the only means by which they can protect themselves in the future and secure the recovery of their lost territory is by becoming a militarist nation. As a result of the activities of Japan in Manchuria, Russia has become aroused and has doubled its number of troops in the East. There is a grave possibility of war between Russia and Japan as a result of the failure of the world community to nip the Manchurian dispute in the bud.

And what is the situation in Japan? Japan has met unexpected resistance from China and is confronted with the possibility of war with Russia. Can Japan disarm and become pacific? Obviously, as a result of its aggression,

¹ For a development of these remarks *cf.* a debate between Dr. Buell and Professor John Dewey on the question, “Are Sanctions Necessary for International Organization?” published in the Foreign Policy Association pamphlet series, June 1932.

Japan feels that it must increase its military forces.

Finally, what has been the reaction upon the United States? Secretary Stimson, in his letter to Senator Borah, went so far as to intimate that if Japan did not respect the Nine Power Treaty in China, the United States might feel it necessary to scrap the Naval Treaty and increase the size of its Navy.

As a result of this aggression of Japan in China, a whole series of forces have been set loose which work to the increase of armaments throughout half the world, and which, if they are not soon checked, will mean a complete reaction against internationalism which has been built up since the World War. Such is the concrete result of this doctrine of good faith or moral pressure unaccompanied by sanctions.

COÖPERATIVE DEFENSE NECESSARY

Let us examine this question from the standpoint of political philosophy. It is a universally recognized principle I think, that within the state, force is a necessary corollary to law. With the exception of a few religious sects, such as the Mennonites, and the Shakers, and the philosophical anarchists, every student of politics and ethics is agreed that within the state, political force is a necessity. Perhaps the majority of people obey the laws from a sense of habitual obedience, but to a minority, a system of courts and police has a real meaning. It logically follows that if we are to build up an international organization which will give security to its members (although resting upon good will of course), we should be willing to put force back of international law.

Many people who oppose sanctions are inconsistent, for two reasons: in the first place, with the exception of a very small minority, all of them believe in the right, or accept the fact of

self-defense. Every government under the Anti-War Pact says: "We reserve the right to defend ourselves against aggression." If the fact of self-defense is accepted, it follows that the superior principle of coöperative defense is valid. If one state has a right to use force to defend itself against attack, why is it not logical for a state to rely upon the coöperative community for protection against attack? In fact, it is only through the principle of coöperative defense that it is possible for any except the very great powers to find real security.

NATIONAL VERSUS INTERNATIONAL SANCTIONS

In the second place, it should be observed that every government today relies upon national sanctions. What happened out in the Orient two months ago? The very governments who refused to consider the application of international sanctions sent their military and naval forces to Shanghai. The United States, which has preached this doctrine of good faith perhaps more than any other government, concentrated its entire fleet to back up the protest of Secretary Stimson. If a "Maine" incident had occurred, if a Japanese plane had by accident bombed and killed a large number of Americans in Shanghai, war possibly would have broken out between Japan and the United States.

In other words, the principle of national sanctions as it exists today is a dangerous principle which may lead to war. The only means by which we can control that principle, the only means by which we can really safeguard the security of each state, is to adopt and to develop what I call the principle of coöperative defense and of international sanctions.

The issue before the world today is not between reason and force, it is be-

tween the principle of self-defense and national sanctions out of which wars and swollen armaments have arisen in the past, and the principle of coöperative defense and international sanctions which will insure peace and make the reduction of armaments probable.

It is also a curious fact that many opponents of economic sanctions are advocating other forms of pressure which depart from the theory of good faith. For example, a number of pacifists, while opposing economic sanctions, support the principle of an embargo on arms and on loans. I recognize that situations may arise where sanctions should be progressively applied, where discretion should be used as to what sanctions should be imposed, but I am unable to see how any one who believes in any kind of an embargo against an aggressor can claim that he opposes the principle of sanctions.

NONRECOGNITION

Furthermore, a great many people are now acclaiming with enthusiasm the so-called Stimson Doctrine of nonrecognition. They are saying that the acceptance by the United States and the League of this doctrine not to recognize the new State of Manchuria is going to be as effective as, and much less painful than, the imposition of economic sanctions.

Well, I am frank to say that, as important as this doctrine may be, unsupported by coercive measures it is simply an illusion. How would it work out? Japan has established a puppet state in Manchuria. The United States says, "We will not recognize this state." Does this mean that the United States will instruct its consuls not to accept an exequatur from the Japanese Government or the Manchurian Government? Obviously, if

the United States should tell its officials in China not to respect the *de facto* government, the answer would be that the United States would have to withdraw its officials from Manchuria and give up its right to trade. Suppose the United States says, "We are going to embargo a loan to Manchuria." That perhaps might do some injury to Manchuria, but what would prevent Japan from increasing its loans at home and, in turn, re-lending the money to Manchuria?

You can follow out this process *ad infinitum* and arrive at the same conclusion. If the nonrecognition doctrine is to restrict the activities of Japan in China, it must be supported by economic sanctions against Japan; and, obviously, if those sanctions are to be applied, they should be applied before and not after the damage caused by war.

Other people say, "Well, of course, the United States does not mean to take this nonrecognition doctrine seriously; we are going to continue to trade with Manchuria and make all the money we can out of it." Nevertheless, the very fact that we do not recognize the new State of Manchuria will constitute a moral invitation to China to attempt to restore its authority by force. In other words, that doctrine is simply inciting the East to embark upon another war. It may not come immediately, but it is bound to come in the future unless constructive steps are taken to solve the Manchurian question.

From one standpoint it may be perfectly proper for China to declare war against Japan for the sake of recovering its territory; but it is obvious that if we are to get away from the institution of war, if we are to build up a real international organization, some positive and peaceful means for the settlement of disputes must be found.

EFFECT OF SANCTIONS ON INNOCENT PEOPLE

There are three main criticisms of the principle of sanctions which deserve an answer. The first criticism is this: unlike a police force, which singles out a presumably guilty individual and overwhelms him with force without disturbing the ordinary life of the community, the imposition of sanctions is an attempt to coerce a state as a whole, which means that not only people who personally support the aggressions of the government but also innocent people may suffer. These considerations led Edmund Burke a hundred years ago to say, "It is impossible to indict a whole nation."

In answering this criticism a distinction must be drawn between what I call the negative obligations of a government and its positive obligations. All governments today have taken the obligation not to go to war—not to invade the territory of a neighboring state and take the lives of the people of that state. That is a negative obligation. In the second place, governments have accepted positive obligations: they have agreed to undertake certain acts within their territory or to refrain from undertaking certain acts, for the benefit of other peoples. For example, Japan signs a treaty in which she may promise to lower her tariff or reduce her armaments. That is what I would call a positive act.

Now, please remember this distinction: the negative obligation, not to go to war—not to jump on your neighbor's back—and the positive obligation to do something at home for the benefit of the world. The League of Nations (and this is a point which opponents of sanctions ignore) does not attempt to coerce a state which violates its positive obligations. If Japan, for example, should conceivably start to build a

fort in its mandated areas in violation of its treaty obligations, there is no provision in the Covenant under which the states would attempt to coerce Japan so as to stop the construction of that fort. The only place where sanctions are authorized is where Japan, in violation of its obligations, embarks upon a war against another state and kills or threatens to kill people in that state. Under those circumstances, the League provides for the concerted use of force to repel the illegal use of force.

Thus, sanctions are actually restricted in scope. It is not a question of whether or not sanctions lead to war. They do not come into effect until after the aggressor has actually created a state of war.

In such circumstances, it seems to me that the world community is perfectly justified in using whatever pressure is necessary upon the people of a state as a whole, to restrain its aggressions. No matter what the form of government may be, public opinion in any state is strong enough to cause that government to refrain from aggressive war when public opinion comes to believe that the aggression is thoroughly unjustified.

Many of you no doubt are thinking about the horrors of the German blockade. I do not believe there is any analogy between the German blockade and an international sanction to indorse the covenants of peace. The German blockade was an incident in a military campaign in which the German people had been led to believe they were fighting for their very existence. It could not be decisive because of the rights of neutrals. An international blockade would be solely for the purpose of resisting aggression, and it would be the purpose of the League to persuade the people in the aggressor state that their international existence was not in danger but that they merely should

refrain from jumping upon their neighbor's back. Moreover, in view of the disappearance of neutrality under a satisfactory League, an international boycott would be much more effective than the Allied blockade during the World War.

In these days when there is no longer a valid distinction between combatants and noncombatants, in these days when wars are fought by nations as a whole, it is impossible to disassociate the people of a country from their government. No government can fight a war without enlisting people. A government cannot be held responsible for its acts unless, at certain times and under certain circumstances, the people of the whole community are made to feel the effect of the acts of their government.

DO SANCTIONS MEAN WAR?

The second objection is that sanctions mean war. If the imposition of international sanctions would lead to the revival of the war system and to the return of the war psychology and the nationalistic emotion which gripped this country and other countries during the World War, then the principle should be condemned. But here again it is necessary to make distinctions. There is as much difference between the police arresting a man and a man committing murder as there is between international sanctions and war. War is the use of military force by a state to advance interests to which it has no recognized legal right. Such force stands in an entirely different category from the collective force of the community used to restrain an aggression after the aggressor has been formally judged by an international tribunal.

That is the first distinction—the distinction between war or the use of force by interested parties, and the use of force by the international community to restrain an aggressor.

In the second place, a fundamental distinction has always been made between non-violent and violent methods of coercion. Every government in the world prohibits the use of violence in disputes between labor and capital, but nearly every government in the world authorizes labor to strike and to organize boycotts against capital. Mahatma Gandhi is the leading pacifist in the world; but Gandhi has organized a boycott against the British Government for the purpose of securing independence. Now there is no difference in principle between a labor strike or a boycott, and international sanctions. Both are non-violent methods of coercion, directed toward a social purpose.

The assertion that sanctions would have to be enforced by a naval blockade is not necessarily true. When the system is organized, sanctions can be applied without the necessity of getting Congressional approval. Already, in this country, we have legislation authorizing the executive to impose an embargo upon the export of arms to certain countries, and to embargo the entrance of goods produced by forced labor. If the principle of sanctions is accepted, it is probable that legislatures will authorize the executive to prohibit imports from the aggressor state and exports to the aggressor, after a decision of international authority. To avoid injustice to individuals, an international effort should be made to take care of injured industries in innocent countries.

DANGER OF REPRISALS

There is, moreover, a danger that an aggressor, if boycotted, will resort to reprisals. Had Japan, for example, been subjected to an economic blockade at Shanghai, it is possible that she would have seized the Philippines.

Nevertheless, if, last September, the Japanese authorities had reached the conclusion that the governments were

really in earnest about peace, that governments were really prepared to apply sanctions in case the need should arise, I am convinced that the Mukden incident of September 18 would have been quickly settled and that Manchuria would be part of China today and that the Shanghai incident would never have occurred. In other words, a system of international sanctions enforced by public opinion which believes in peace is not only a repressive measure, but, what is far more important, it is a preventive measure. If that system is in existence, if it is taken seriously, in nine cases out of ten it will not have to be applied.

Nevertheless, in case sanctions are applied, it is conceivable that a clash may come between the world community and the aggressor state. But the danger of that clash is not nearly so great as the danger of a world war arising from a policy which simply allows a local incident such as the Mukden incident to grow like a snowball. If we believe in the principle which is at the basis of world organization, namely, that a war or a dispute in any part of the world may endanger the world as a whole unless it is checked, then it is necessary to admit that the danger of a world war is much less from the immediate and decisive imposition of sanctions when a dispute breaks out than from a policy of only moral pressure until the whole world is engulfed in a conflagration.

"WHO SHALL GUARD THE GUARDIAN?"

Let us consider the third objection to sanctions, which is made primarily by lawyers. There is a Latin maxim which, translated, asks this question: "Who shall guard the guardian?" We are told by constitutional lawyers that although the state may punish an individual for violating a law, there is no power within the state which can

compel the state to live up to its own constitutional restrictions. Similarly we are told in international relations that if states agree not only to refrain from going to war but also to coöperate against an aggressor, there is no way of compelling those states to keep their promise. If a state, in bad faith, violates its promise not to go to war, it likewise will show bad faith and refuse to live up to its obligation to impose economic sanctions. And so they say, Who shall guard the guardian? In support of this question it is contended that every federation which has succeeded, such as the United States for example, rests upon good faith.

The answer. I would give to the question—who shall guard the guardian—is simply this: The fact that one state acts in bad faith and illegally goes to war does not mean that fifty-five other states will necessarily act in bad faith and refuse to apply sanctions. I can envisage many situations where a government will be temporarily in power which does not share any of the aspirations of the remainder of the world for peace. I can conceive of one government determined to violate its obligations, and ten other governments determined that those obligations shall be enforced.

I agree absolutely that the question whether peace is maintained, whether world organization is to be developed, depends finally upon the force of public opinion. But if public opinion has a goal to work for in the form of sanctions, it is bound to be more effective and expressive than if all it can say is that "We shall expect you to act in good faith, but we shall ourselves rely only upon moral pressure."

ANALOGY FROM UNITED STATES HISTORY

If one appeals to the history of the United States, he will find much sup-

port for the principle of sanctions. Are the forty-eight states of the United States held together in a bond only by good faith? Both the War of the Revolution and the Civil War give a negative answer. Regrettable as both of these historical incidents may have been they show that at times organized coöperative force may be necessary to safeguard a political ideal.

A few years ago the Supreme Court, in the case of *Virginia versus West Virginia*, openly declared that the Federal Government had the power to coerce a state legislature to pay its debts. From the very beginning of our Constitution, the Federal Government has had the power to repress state officials when acting in violation of Constitutional law.

Now, the League of Nations today is not a federation of states; it has no power to proceed against individuals; perhaps the time may come when that power will be granted to it. Today, the League resembles the United States under the Articles of Confederation. Those Articles provided not only for arbitration but also for the principle of joint defense in case of aggression.

There were many practical difficulties which led to the disappearance of the Articles of Confederation, which are present in the League of Nations today. In framing a new Constitution to correct these difficulties, the Fathers of this country did not say, "We will strike out all idea of coercion and rely

simply upon good faith for our salvation"; instead, they extended the coercive authority of the Federal Government.

STATE RESPONSIBILITY SHOULD BE ENFORCED

Every group is subject to the principle of responsibility except the nation state; and if we adopt the principle that the nation state shall be exempt from responsibility, it means an increase in the excesses of nationalism which are the curse of the world today. The principle of sanctions means the principle of state responsibility.

Just as the Articles of Confederation of the United States developed into the Federal Constitution, the present League may grow into a more perfectly knit international organization. But this development will be blocked if the no-sanctions principle is adopted.

I conclude, therefore, by repeating that the issue is not between reason and force; the issue today is between the principle of national sanctions (a principle which in the past has led to wars and which today is responsible for swollen armaments and exaggerated mistrust) and the principle of international organization based upon the pacific settlement of disputes and enjoying to the fullest the support of public opinion, but in the last analysis, embodying as its cornerstone the principle that force should be a necessary corollary to law.

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Economic Sanctions as Instruments of National Policy

By JEROME D. GREENE

AN exhaustive treatment of the subject of economic sanctions would involve a survey of the historical and legal aspects of the subject. Such a survey I must leave to competent scholars, hoping that they will furnish a background to the more modest contribution of a layman in the field of contemporary policy; for political action, though urgently requiring the guidance of experts, is not actually controlled by them, but by dominant public opinion. It is therefore pertinent to inquire how the layman, how the business man, accustomed to empirical processes in the determination of his opinions and conduct, and guided largely by the reaction of his feelings to this experience, feels about this question of economic sanctions as instruments of national policy.

The phrase "instrument of national policy" is, if I am not mistaken, the invention of the framers of the Kellogg-Briand Pact. The reference to war as such an instrument implies the alternative use of other instruments for the service of national aims. What are those instruments? The answer to this question will, I believe, throw light on the problem set before us by the topic of the present discussion, and incidentally reveal the fundamental irreconcilability of Article XVI of the Covenant of the League of Nations with the Pact of Paris.

MEANS FOR ELIMINATION OF WAR

The framers of both great documents were actuated by a common purpose to go just as far as it was possible to go toward the elimination of war. They were inspired by a world-wide popular

revulsion from war as war—whether its precipitation were just or unjust, guilty or innocent, aggressive or defensive. They wished to apply to international relations the principle by which individual conduct is controlled, namely, that regardless of rights and wrongs, the violent settlement of private disputes is a breach of the peace and an offense against the whole community.

Toward the accomplishment of this object, the League Covenant, while not eliminating the use of force, put forward in Article XVI a means of coercion which, if applied against an aggressor with something like unanimity, might be expected to succeed without bloodshed. In other words, the effect would be exactly the same as it would be if the League always had at its disposal overwhelming military and naval forces. The efficacy of either device for the suppression of conflict would depend on the unanimity necessary to make it available. It was not—as so many people, especially those of pacifist leanings, seem to regard it—the invention of a new and comparatively harmless instrument which was open to the use of single nations or groups of nations. On the contrary, it was the selection from the armory of modern warfare of one of its most terribly destructive weapons—that of the blockade. Used merely as a threat, it might be harmless; but the same would be true of overwhelming military and naval forces, and that is the favorite argument of militarists for maintaining them. Put into effect between countries having important trade relations, it is a method of ac-

complishing misery and destruction by wholesale.

I attach very little significance to the status given to economic sanctions by Article XVI as tending toward the use of pacific measures. They were put in the Covenant simply because the powers were not ready to go the whole distance of a commitment to the use of international military forces. The Article as it stands, however, is a commitment to the use of international *force*, once aggression has been defined and established. Faced with a recent concrete situation in which the conditions precedent are alleged to have been proved, the same reluctance to employ force that has been shown with reference to joint military action has quite naturally, if disconcertingly, been exhibited with reference to economic sanctions.

The Pact of Paris restricts the signatories to the use of pacific measures as instruments of national policy. Pacific measures as distinguished from what? Methods of compulsion, or methods of conciliation and adjustment? Surely the latter. It is impossible to detach the idealistic purposes of those who framed and those who signed the Pact from the background of international effort, for a generation, toward the substitution of reason, conciliation, and determination under law for any form of direct coercion.

HOSTILE CHARACTER OF ECONOMIC SANCTIONS

The exclusion of forceful measures is thus indicated *a priori*; and this view is strengthened by the practical consideration that economic sanctions are hardly less likely to lead to armed warfare than any other kind of force. Whether they do thus lead or not will be determined not by their lack of a hostile or provocative character, but purely by whether or not the country

against which they are directed considers it advantageous to resist them.

The strict use of the term "economic sanctions" would imply economic measures for the enforcement of a presupposed legal requirement of action or abstention on the part of a nation against which the sanctions are to be employed. It is therefore perhaps inexact to use the term "economic sanctions" as an instrument of policy to be employed by one country for the protection or the advancement of its national interests. Economic sanctions applied under Article XVI of the Covenant would mean something different from an act of embargo or non-intercourse enforced by one country against another. The subject now under discussion probably relates primarily, if not exclusively, to the former. In popular discussion, however, the two things have been somewhat confused, owing to the fact that the question of applying economic sanctions to Japan under Article XVI has been coupled with the question of independent or coöperative action by the United States for the same purpose. As the United States is not a member of the League of Nations, its use of economic measures against Japan, even in coöperation with the League, would be made on its sole responsibility, and therefore justifies our consideration of economic measures both as sanctions of the League Covenant and as an instrument of national policy employed by one country against another.

It seems impossible to escape the conclusion that trade embargoes or nonintercourse acts thus used as an instrument of national policy would have to be justified by practically the identical considerations which would, at least before the Pact of Paris, have justified a declaration of war. That is to say, in the present Sino-Japanese situation it would mean taking sides against

Japan by acts which could hardly be regarded otherwise than as hostile, for they would, like war, inflict enormous material injury. No country would be likely to take such action against another unless its own interests were directly and strongly involved.

What is thus true of the considerations leading one country to employ economic measures against another apparently applies equally, as a practical matter, to a country which is a member of the League when called upon as such to apply economic sanctions against an aggressor state. Strong considerations of self-interest would seem to be necessary before whole-hearted action under Article XVI would be undertaken.

It may be urged that the observance of treaties and the sanctity of the Covenant itself involve a common interest so great as to amount to self-interest. If they do not, it may be regrettable; but as a matter of fact it would seem that members of the League are hardly less shy of economic sanctions than they are of international military action. If this is true, we are confronted by what some one has called a real constitutional change in the Covenant—a change by interpretation or tacit consent, leaving the authority of the League based on its purely moral resources of concerted public opinion.

COERCIVE MEASURES A SOURCE OF WEAKNESS

I am enough of an optimist to believe

that the moral weight and prestige of the League, in spite of any temporary impairment, is strengthened in the long run if the world looks to it as a vehicle for the expression of the moral judgments of the community of nations without any element of physical coercion. Coercive measures in the Covenant, that are not likely in practice to be employed, are a source of weakness rather than strength.

No severe criticism of the framers of the Covenant is involved in the foregoing observations. It was natural, as I have already indicated, for economic sanctions to be thought of as practicable alternatives to military and naval action. Experience has shown that, as measures of force of a distinctly hostile character, they are open to the same objection as war, if to a less degree. In the light of that experience, public opinion and governmental policy should work towards reliance solely upon measures of negotiation, conference, conciliation, arbitration, or judicial determination for the settlement of international disputes. If the day has not yet come when that reliance can be completely justified, the use of force, whether through war or economic measures, may still be unavoidable and may even be justified as a means of attaining justice. To the extent that both are more and more shown to be usually futile and always cruel in their effects, public opinion may be expected to move toward their total abolition.

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Should Economic Sanctions Be Applied in International Disputes?

By JOHN FOSTER DULLES

THE subject of economic sanctions is new. The whole conception has only come into being in the few years since the war. The idea of economic sanctions is one which really can come into being only when there are treaties to which practically all the nations of the world are parties, and treaties which are of vital importance to those nations. It is only since the war that we have any treaties of that sort. Before the war, when there were merely miscellaneous treaties, of importance to one or two nations but not of vital importance to the whole community of nations, the conception of economic sanctions—of ordered force by the world as a whole to insure compliance with those treaties—never arose. But at the present time, we have one or more treaties which are recognized to be of vital importance to the world, and to which practically all the nations of the world are parties.

Those treaties are of two general categories: the one, the Covenant of the League of Nations, and the other, the Kellogg-Briand Pact or Pact of Paris. The object of both of those treaties is to abolish war as an instrument for the settlement of international disputes. It is recognized everywhere that that result is of such vital importance that we should neglect no practical measures to insure its attainment. Indeed, if we cannot succeed in abolishing war as an instrument of national policy, our very civilization is threatened by the excessive ingenuity that we, the so-called civilized nations, display in working out instruments of destruction.

INSUFFICIENCY OF MORAL PRESSURE

We at once, then, face the question whether we should try to bring about the desired result through the use of sanctions or whether we should rely solely upon moral pressure. It seems to me obvious that we cannot do the latter. We recognize that moral pressure is an indispensable element in any system of international law and order. Just as in the ordering of the life of a community it is impossible to accomplish anything effective in the long run unless it is responsive to the sentiment of the community and has back of it moral pressure, so also in the community of nations it is not going to be possible to accomplish anything unless it has moral pressure behind it. But, also as in the life of the community, moral pressure alone does not suffice.

In the case of nations, the nation which resorts to force usually does so because its own public opinion is persuaded that force is legitimate and within the scope of existing treaties, either because it is a measure of self-defense or because it is a justified police measure not contemplated by the anti-war treaties. Thus a public opinion is developed largely through propaganda which warps the moral sense of the people.

Furthermore, the moral sense of the rest of the world, even though it is aroused, does not work with sufficient rapidity and does not become solidified unless it is directed into concrete measures adopted by the governments themselves. When Germany violated the neutrality of Belgium it aroused

great moral indignation throughout the world, and that moral indignation in the long run was probably as potent a force as any in leading to the ultimate overthrow of the German Empire. Nevertheless, that moral force was not sufficiently concentrated and could not make itself effective with sufficient promptness to save the world from the most disastrous calamity which has ever overtaken it.

Therefore I come to the conclusion that these treaties to abolish war and the war system must have behind them not merely moral sentiment, which I recognize as indispensable, but also some form of sanction to secure compliance with those treaties.

MILITARY POLICE FORCE

If we accept the general conception that there should be sanctions, our thoughts necessarily turn to one of two lines: one is the sanction of actual military force, applied to the aggressor or treaty-making state; the other is economic sanctions. The Covenant of the League adopts both conceptions. The use of force, a military police force, has been the cardinal French doctrine ever since the war. It is a doctrine which the French advanced at the Peace Conference; it is the doctrine which they have advanced at every limitation-of-arms conference which has since been held; and it has again been put forward at the pending conference at Geneva.

I think, however, from the standpoint of American public opinion and the American Government, we can safely say that it is not worth while, at the present time, to work on the theory that we may get an international police force which will attempt to insure compliance with treaty obligations through actual military operations comparable to what a police force or militia does in our ordinary community life. That

we did not go into the League of Nations was, above all else, because of the moral commitment upon the League members under certain contingencies actually to go to war under the guise of trying to keep the peace. I therefore think that any constructive thought of sanctions must turn to the conception of economic sanctions.

ARTICLE XVI OF LEAGUE COVENANT UNWORKABLE

Now, even when we say that we adopt in theory the idea of economic sanctions, we are a long way from getting to any practical solution of our problem. The precise form which economic sanctions must take to be practicable is one of the most difficult and complex problems with which we have to deal in this sphere of international affairs. It is, of course, appropriate to start our thinking on this subject with Article XVI of the Covenant of the League. That Article provides that under certain conditions all the nations of the world shall immediately cease all intercourse with an aggressor nation. That section in the League Covenant, in my opinion, will never prove workable. It has not yet proven workable, and I think the experience we have had with it and the study that has been given it during the ten years it has been in existence have satisfied most thoughtful people that there is something fundamentally wrong with the form of economic sanction which is contemplated by Article XVI.

It is sometimes said, and has particularly been said in connection with the recent Sino-Japanese difficulty, that the reason why the League members do not resort to Article XVI is that neither the United States nor Russia is a member of the League, and that it would be impracticable to apply any economic sanctions if two nations

with such great economic resources were not parties to the plan. But I am satisfied that while that in itself is a good reason, nevertheless in this particular case it is used primarily as an alibi. I was abroad last fall when these matters were being particularly agitated, and I satisfied myself that neither Great Britain nor France would have been willing for a moment to apply Article XVI, even though the United States and Russia had been actively coöperating. The reason is that Article XVI is drawn without regard to a great many vitally important practical considerations.

The first principle which is violated by Article XVI is this: any system of sanctions, if it is to be practicable, must be susceptible of being readily carried out by the nations who are called upon to enforce it. It does no good to write on paper penalties which on their face are very severe, if, either through excessive severity or through throwing excessive burdens on those who are expected to enforce the penalties, they become unworkable. We cannot advance the cause of international peace by setting up scarecrows; the nations of the world are too astute to be frightened by paper penalties which would be very severe if they were actually applied, but which, it is well known, will not be applied because they throw such excessive burdens upon the states who are asked to apply them that as a practical matter these penalties will remain a dead letter.

COMPLETE BLOCKADE IMPRACTICABLE

That is where one finds the cardinal defect in the system of economic sanctions set up by the Covenant of the League, and I think that any practical system of economic sanctions must take into account certain conditions which I will mention. The first is that it cannot contemplate any abrupt or

complete non-intercourse with the offending nation. Economic relations are of mutual importance; they are entered into voluntarily for the purpose of self-gain. The whole world is adjusted to the ebb and flow of commerce and the movement of goods in certain directions. To interrupt that arbitrarily costs one nation as much as it does another, the receiving nation as much as the selling nation, and many nations are so tied together economically that it is utterly impossible for them to contemplate a complete and abrupt breaking off of all relations with another nation of economic importance.

During the war we recognized that such nations as Denmark or Holland could not be expected to break off all relations with Germany. The Allies had the power to make conditions which theoretically could have compelled this result. Actually, they did not attempt it, because they realized that it would involve economic and financial suicide for such nations to break off all relations with Germany. Rather than do that, they would have gone into the war on the side of Germany. Therefore, the Allies acquiesced in a limited and controlled trade between such nations and Germany.

Now if, even in the stress of a great war with national existence at stake, the Allied Governments recognized that there had to be a certain continuing trade between Germany and other nations, how much more must we recognize that, in a time of peace and without the support of an aroused sentiment such as exists in the time of war, we cannot expect to bring about any immediate and total cessation of all economic relations with any offending state which has any appreciable economic importance?

The worst thing that could possibly happen is to enjoin a complete non-intercourse which we know in advance

could not work. That immediately breaks up the ranks of the enforcing nations among themselves. One nation lives up to its agreement completely; another nation, for reasons of the type I have mentioned, is unable to live up to it completely. Then, immediately, charges and counter-charges are made between them, one charging the other with evasion of its obligations. Again going back to the experience of the World War, I can assure you that even in the stress of that war, the commercial jealousy between England, France, the United States, and Italy with reference to dividing such commercial trade as was permitted was exceedingly tense, and it was only with great difficulty and through the exercise of strong political pressure that such commercial jealousy was prevented from having a serious effect upon the successful prosecution of the war. So it is of vital importance that any system of economic sanctions should not attempt to accomplish that which we know in advance cannot be accomplished, because the result will merely be to spread dissension and discord among the enforcing nations themselves.

UNEQUAL BURDEN ON ENFORCING NATIONS

A second point which must be borne in mind is that economic sanctions bear very unequally upon the different nations who are called upon to enforce them. If, for example, we were called upon at the present time to stop the shipment of cotton to Japan, that would be reflected in a sharp decline in the price of cotton. It would mean a great loss to our cotton growers and it would mean a great gain to the cotton importers of Europe who would probably be able to get their cotton at approximately half the price which prevailed theretofore.

It may be said that the cause of peace is so all-important that all individuals should be willing to sacrifice their personal interests in the attainment of this objective. That is a sound theoretical observation; but we have not yet advanced to a point where we can count upon it that such a sentimental point of view will actually prevail. It is absolutely essential, in working out any system of economic sanctions, that they should be so drawn as to permit of some fairly equal assumption of the financial burden which follows their being carried out.

We may, for instance, have to do what we did during the World War. In the case of certain goods from the Scandinavian countries which were destined for Germany, the Allies did not feel in a position merely to say to those countries, "We will not let you send them to Germany." That would have meant excessive financial loss to those countries. So what the Allies (particularly the British Treasury) said was, "We will buy this stuff and carry it." Instead of taking away the German market, they provided an alternative market of their own. When we came into the war, we found that the British Treasury had on hand very large stocks of goods which they had purchased in order to prevent them from going to Germany; and in order to help bear, in a fair way, the financial burden, our treasury joined in. At the end of the war there were very large stocks of goods which had been acquired under that system of enforcing the blockade against Germany.

HUMANITARIAN CONSIDERATION

A third consideration which must be borne in mind is the humanitarian consideration. I do not believe that the public opinion of the world today would support a system of economic sanctions which, in effect, would involve the

wholesale starvation of a civilian population. Most aggressive acts are due to military cliques; the civilians are more likely to be the victims of their own government than themselves to be the responsible moving party. That being the case, I do not think public opinion would look with favor upon economic sanctions which might have the effect, in certain cases, of using the starvation of the civilian population as a means of bringing pressure to bear upon the military government. As you may recall, President Hoover a year or two ago went so far as to suggest that foodstuffs should move in international channels, between nations, even in time of war; and that this should be agreed to by treaty, so that all nations could be assured that in the future, starvation would not be a weapon.

A SELECTIVE SYSTEM OF SANCTIONS

Now, what is left of our economic sanctions? It seems to me that any system of economic sanctions will have to be a selective one, adopted at the time when the occasion comes to put it into force. What I visualize is something like this: It should be agreed in advance that if there is a breach or a threatened breach of the Pact of Paris, economic sanctions shall be applied. It should furthermore be recognized by all the nations that the first of these economic sanctions, and one which would automatically be applied, would be the cessation of any shipment of arms or absolute contraband to the nation or nations which are held to have violated or threatened to violate their obligations.

As to the further economic sanctions to be applied, those should be determined by the enforcing nations at the time, after analyzing the situation and picking out the economic weakness, the point of vulnerability, of the particular

nation or nations to whom the sanctions are to be applied. Almost every nation has its vulnerable point: it may be the necessity of importing some particular alloy on which its whole steel and heavy metal industry is based; it may be the necessity of importing some kind of dyestuff on which an entire textile industry may be dependent. I could go through the gamut of the nations and point out that in the case of every nation, there is some one economic weakness which could be taken advantage of by the enforcing nations without the necessity of that complete cessation of all relations which, as I have pointed out, would be impracticable.

Furthermore, this plan would also enable the enforcing nations to share, with some degree of equality, the burden of applying the sanctions.

Another type of measure which might be used in such a program is the suspension of economic rights and privileges which accrued under treaty to the nation which is violating its own agreements. Favored-nation provisions in tariff agreements, and rights to patent and copyright protection readily lend themselves to a practical plan of economic sanctions.

JUSTICE AND SELF-INTEREST MUST BE COMBINED

What I am suggesting really is a kind of compromise between two types of sanctions that were worked out under the Treaty of Versailles. I have referred to one, that is Article XVI of the Covenant of the League. The other is embodied in the Reparations Section of the Treaty, which provided, in effect, that if Germany willfully defaulted in its reparations obligations, the creditor nations might institute such acts of reprisal and economic pressure against the nationals and the property of Germany as they saw fit.

Those two provisions, Article XVI of the League and the Reparations Section, illustrate in an interesting way the two poles of thought on the question of economic sanctions. The League of Nations Covenant is one which is written from an excessively idealistic standpoint; it is not practical. The economic sanctions for reparations, which have now been abolished, were written by people who were perhaps too practical and who relied too much upon an appeal to the self-interest of the enforcing nations and, in effect, permitted the unordered plundering of such property of Germany and its nationals as could be reached. The one was an appeal purely to idealism, the other purely to self-interest. We must combine the two so as neither to de-

mand excessive sacrifices from the enforcing states nor give them a license to prey upon the property of the offending nation. We must work in an orderly way, with some conception of justice, without, on the other hand, ignoring all considerations of self-interest.

This is, in substance, the recommendation of the Committee on Economic Sanctions, of which I was a member, set up by the Twentieth Century Fund.

I am satisfied that if we can work out a system of economic sanctions along such lines, which will permit of an ordered adaptability to each particular situation, we shall have made a real advance in the cause of international peace.

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The Case Against Recent Proposals for Use of the Economic Boycott

By FREDERICK J. LIBBY

I FEEL grateful to Mr. Dulles for the clear presentation he has made of the fundamental weaknesses and the extraordinary difficulties that will confront the world when it seriously undertakes the working out of the great problem of economic sanctions.¹

IMPRACTICABILITY OF THE LEAGUE OBLIGATION

Article XVI of the Covenant of the League of Nations needs clearly to be borne in mind. Section One reads as follows:

Should any member of the League resort to war, in disregard of its covenants under Articles XII, XIII or XV, it shall *ipso facto* be deemed to have committed an act of war against all other members of the League which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state, whether a member of the League or not.

It is this proposal that Mr. Dulles has condemned as too drastic. It seems to me that he is fully justified in that condemnation, not only theoretically but also by what has actually happened in the recent conflict between Japan and China.

Brailsford, in an article in the *New Republic* in which he argues for the boycott, nevertheless explains that it is the too drastic provision in the

League Covenant that has been responsible for the League's futility. His words are:

The chief explanation of the League's inadequacy and timidity in this crisis is evidently that its covenant is so tightly drawn that if it had branded Japan's aggression with the condemnation it merited, sanctions and a formal state of war must have followed automatically. Faced with that prospect, the League has wallowed in humiliation and hypocrisy in its pitiful efforts to hint a verdict which it dare not pronounce.

The consequences of declaring that Japan had resorted to war contrary to its obligations under the Covenant would have been so serious, immediately and necessarily, that the League has not been willing to declare that Japan has resorted to war. It seems to me another illustration of that effort which we see recurring throughout history in dealing with crime, namely, the effort to make the punishment so drastic that it will prevent the commission of the crime. That effort has always failed; all modern penology has moved in the opposite direction except for an occasional recrudescence, as in the Baumes Law. And that effort will always fail, I believe; it is unsound psychology. If the penalty is too drastic, it defeats itself. It fails to frighten.

Moreover, under such circumstances we are bound to find the nations on which the burden would fall most heavily opposing the undertaking of the obligation. For example, the British Government, on which would presumably fall the burden, under the

¹ See "Should Economic Sanctions Be Applied in International Disputes," in this volume.

Covenant, of prevention of trade between the covenant-breaking state and nations not members of the League, would naturally be opposed to such an obligation. Mr. Brailsford, in the article referred to, speaks of the attitude of the present British Government as follows:

We know that nothing, unless Japan should set out frankly to cover the Yangtze Valley, will stir our Government to action, or even cause it to depart from its pose of an open mind and a suspense of judgment. In its heart, busied as it is in England, it frankly approves Japan's performance in Manchuria.

The French Government also, as Mr. Dulles has borne witness and as I found when I was in Paris in November, has sympathized with Japan rather than with China. The *New York Times*, in a Paris dispatch, says that the same situation continues. It reads: "The divergence comes over the fact that the French sympathy is with Japan, while the American is with the Chinese."

Now, then, under such circumstances we have seen the complete breakdown of Article XVI. Even France, the nation that has most strongly advocated the use of sanctions in theory, has been one of the two leading opponents of their application in what would seem to be one of the clearest possible cases where, if ever, they ought to have been applied.

THE LOWELL-BAKER PETITION

The Lowell-Baker Petition is the second of the recent attempts to apply sanctions. I have the text of it before me:

We, the undersigned, appeal to the President and Congress to signify to the League of Nations that the United States will concur in any economic measures the League may take to restore peace. [And describing the situation earlier in the petition, it

says:] If it shall be found that Japan has resorted to war without submitting the dispute to arbitration, judicial settlement or to the Council, none of which has been done, it will be the covenanted duty of all the members of the League to prohibit trade and financial relations of their countries with the covenant-breaking state, and to prevent all intercourse with that state by the people of any other state, whether a member of the League or not.

The petition, in other words, accepts the full obligations of the Covenant of the League, including the prevention of trade between Japan and Russia for example, a non-member of the League, and asks the President and Congress to signify to the League that the United States will concur in any economic measures that the League may take. In other words, this proposal is simply that the United States should give a blank check to the League of Nations and that the President and Congress should sign such a blank check, including the prevention of trade between Japan and Russia.

Now it seems to me that such a petition is academic in the worst sense of that word. It ignores realities. Any one familiar with the attitude of our Senate and with the strength of the opposition, even to such a simple step towards world coöperation as our adherence to the World Court, ought to know that the Senate is not going to sign any such blank check to the League of Nations. It is preposterous to dream of such a thing. When it is maintained that the circulation of this petition, signed by less than fifty thousand persons—probably less than twenty-five thousand persons—among our hundred and twenty millions, has affected the attitude of Japan and stopped the march of her army, it seems to me that one is clearly making the wish the father of the thought. The Japanese militarists have surely

shown themselves far more realistic than that in their estimate of world opinion and of the likelihood that nations would take effective steps under the League Covenant or any other obligation to prevent the march of their armies.

I agree with Mr. Dulles also in his statement that the ineffective stand of the League Council was not due to the absence of the United States and Russia; it was due much more, as he has said, to the opposition of the French and British Governments to taking action. But there is no denying that a problem of very great magnitude is created by the absence of the United States and Russia from the League. It means that one or the other of the two groups is required to take the initiative. If the League of Nations were to take the initiative and institute an economic boycott, it would have to do so not knowing what the United States, as represented by its Senate, would do. That would mean that we would be left in the position to profit enormously in a commercial sense, if we chose, by the self-abnegation of the other powers in imposing a boycott on their nationals.

On the other hand, for the moment disregarding Russia, which, however, cannot be disregarded, for the United States, as proposed in this petition, to take the initiative and offer a blank check to the League of Nations is so out of keeping with realities, so utterly fantastic in its conception of the United States Senate and, for that matter, of public opinion in this country as a whole, that it is, it seems to me, permanently to be disregarded as a possibility.

Regarding Russia, I would say the same would certainly hold true. Therefore, I cannot but reach the conclusion that so long as the United States and Russia are outside the

League of Nations, the application of economic sanctions by the League is out of the question. The practical difficulties, particularly as to which shall take the initiative, seem to me incapable of solution.

PROPOSAL OF AMERICAN COMMITTEE ON ECONOMIC SANCTIONS

Then we come to the third proposal, that of the Twentieth Century Foundation, embodied in the report of the American Committee on Economic Sanctions, that a flexible arrangement be worked out for the signatories of the Kellogg Pact. I will quote the two paragraphs that are pertinent:

The Committee, accordingly, suggests that the signatories of the Pact of Paris should enter into an appropriate Protocol or Agreement supplemental to that Pact, whereby they will engage themselves in the event of hostilities, actual or threatened, promptly to consult together with a view to determine upon measures of nonintercourse which would be appropriate to prevent the threatened breach of the Pact, or if it could not be prevented, to end hostilities and to restore the status existing prior to the breach. Among the measures of nonintercourse which could be applied would be, first, a cessation of any shipment of arms or munitions or other absolute contraband; second, such further economic sanctions and concerted measures, short of the use of force, as may be determined to be appropriate and practical under the circumstances of any given case.

To my mind, there is great advantage in the flexibility of this proposal over the drastic, hard and fast Article XVI that I quoted from the Covenant of the League of Nations. Moreover, I am a supporter of the principle of the consultative pact, so long as the United States is outside the League, and one must grant that if the nations consult, it must be with a view to some kind of concerted attitude or concerted action.

But the first practical difficulty in the proposal before us is the fact that when we try to work out its application, we are driven to visualize a machinery parallel with that of the League Council and Assembly. We have the signatories of the Kellogg Pact meeting together as a group to deal with the very same dispute which presumably would be before the Council or the Assembly of the League. Whether the other nations are prepared to make that concession to the United States, one cannot say. In general, one is opposed to duplication of machinery.

Then, in the second place, when the nations have agreed upon joint action—which means, in reality, similar separate action, each nation acting as a nation and not as a member of a world community—shall we not be confronted in practice by the very difficulty to which reference was made by Mr. Dulles, namely, the likelihood of disension arising, owing to charges of bad faith?

Moreover, does this plan escape the problem to which I referred earlier, the attitude of the United States Senate toward any decision reached in coöperation with other nations and requiring Senate action? If we are not able to bring about our adherence to the League of Nations, it seems to me very unlikely that the Senate would support and ratify any decision for the application of economic sanctions of any sort that might be decided upon by a group of nations, signatories of the Pact.

In other words, the same practical difficulties are going to be found, even in this more simple proposal, that confront us in the present state of public opinion in our country when we contemplate joint action with the League. It does, however, solve the problem as to whether one or another nation shall take the initiative.

AN UNSOLVED PROBLEM

The conclusion then, in examining these three proposals—Article XVI of the League Covenant, the Lowell-Baker Petition, and the proposal of the American Committee on Economic Sanctions—is at least that the problem of applying sanctions is fraught with enormous practical difficulties. Even if we grant, as probably most people do, the right of the community to deal with an aggressor nation, and the importance of trying to prevent it from succeeding in any nefarious purposes, that does not settle the matter. In fact, I presume that the next decade will be spent upon this problem by the nations of the world, probably with France leading one group and the United States leading another.

Our Government has thus far maintained that the peace of the world, the security of the world community, must rest upon common consent and enlightened self-interest in an interdependent world. I do not believe that the nations, in their international conduct in the immediate future, are likely to show themselves more altruistic than they have in their recent relations one with another. If we are to be realistic, we must still rely upon enlightened self-interest and upon common consent based upon that enlightened self-interest.

WORLD STABILITY AN ECONOMIC NECESSITY

World stability has become an economic necessity to all nations. They may not yet have recognized it, but the fact I believe to be undeniable, and the idea is making very swift progress. Japan cannot succeed permanently. She is too dependent upon the rest of the world including China to succeed in her effort to separate Manchuria from the rest of China and possess it.

It took four and a half years for Great Britain and her allies, with enormous loss of life, to dislodge Germany from Belgium by the military method. No one urges extending the Sino-Japanese conflict into a world war. I am prepared to be patient and to watch the great forces which Japan has roused against her dispossess her of Manchuria.

Isolation today is a terrible thing, and Japan stands isolated. Fifty nations, including the United States, have told her that they will not recognize any gain that she may get by disregard of the Kellogg Pact or the Nine Power Treaty, and the members of the League added "and the League Covenant." In taking that attitude, they isolated Japan from the rest of the world. This is a serious punishment. Moreover, her credit drops steadily, not because of propaganda, not because of sanctions artificially imposed, but because of great economic realities. Her credit does not deserve the status that it had before this incident occurred. The yen is not worth so much as it was. Her national debt has increased. Her trade has naturally dropped off; and the enmity that she has aroused in China, not owing to any League sanction but by a natural process of resentment, is a force that no propaganda on the part of Japan herself can allay. Her trade with this country has diminished, also not because of sanctions but from natural causes. Imperialism simply does not pay. This is our greatest assurance of peace.

THE FOUNDATION OF WORLD PEACE

It seems to me, therefore, that if we are to found the peace and the security

of the world on enduring foundations, we cannot rely on coercion. We must found that peace and security upon common consent and enlightened self-interest, it being our major task to see that the self-interest becomes enlightened.

Against certain nations, sanctions, whether military or economic, are practically out of the question. I cannot conceive of the world's trying to coerce the United States or the British Empire into a prescribed course of action. It would mean a world war. The outside world has attempted to coerce Russia to depart from a certain course of action, and it is notorious that that attempt has failed. The great powers are beyond sanctions. And as for the little powers, I agree with a certain Philadelphian who said on one occasion, "If you have public opinion on your side, you do not need coercion; if you haven't, you can't use coercion." Unless the great powers agree without sanctions, peace is impossible.

The tough problem of getting unanimous consent for the use of sanctions, the practical difficulties in their application, and, particularly for us, the Constitutional obstacle incarnate in the Senate, are going to prove probably insuperable as against sanctions ever being practicable.

Should we not frankly accept this fact and set to work patiently to build common consent, and to educate as to where enlightened self-interest in this interdependent world leads? We are not working against the trend of the universe, but with it. We work with God. That is why it is possible at all to build a security and a peace that will endure.

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Public Works Planning and Economic Control: Federal, State, and Municipal

By WILLIAM N. LOUCKS

ECONOMIC PLANNING" recently has become the epigrammatic program of practically every economic interest group in our Nation. From the radicalism of the extreme left to the conservatism of the extreme right, from the Communist to the United States Chamber of Commerce, economic planning has come to be the accepted way out of our economic plight. Articles on economic planning have become so numerous that periodical indexes now use this phrase as a subheading. Books, discussions, debates, interviews, and speeches on economic planning have multiplied with disconcerting rapidity in the last two years. It is in the heat of such a baffling multiplication of words that we are asked to view this subject with equanimity and dispassionate perception.

To clear the air at least partially, we must admit that a great deal of this is pure froth. It has no factual foundation and no superstructure of rational analysis. It is merely the whistle which helps us to pass the graveyard—the straw grasped by the man who fears drowning. In a measure, it is a cogma of faith into which many have compressed their hope that the economic hereafter will be more pleasant than the economic present.

WHAT "ECONOMIC PLANNING" MEANS

However, to turn to a more encouraging aspect of current discussions of this subject, we note that economists, of both academic and business species, have within recent years studied economic planning with ever increasing

intensity and ever deepening penetration of analysis. By this group, the term "economic planning" has been given substantial content and meaning. Regardless of the emptiness of the phrase as it is bandied about in popular discussion, in the minds of those having a substantial background of training in economics and allied social sciences, the concept has taken on form and shape quite the equivalent of that possessed by such phrases as "large-scale production," "scientific management," "credit inflation," "collective bargaining," or any one of a long list of terms denoting well-defined but intangible economic phenomena.

To be more specific, I believe we may say that, to those who have given it serious and competent thought, "economic planning" means a limiting or shaping of *individual* and *corporate* economic activity into *group-defined* spheres of action which are rationally mapped out and fitted, as parts of a mosaic, into a *coördinated* whole, for the purpose of achieving certain rationally conceived and socially comprehensive goals.

These goals, which are really integral parts of the planning concept, are: an elimination of the wastes of competition; a coördination and balancing of the production and consumption portions of our economic system; such a stabilization of the rate of future economic progress that orgies of speculation in that rate of progress will disappear; a use of natural resources which recognizes that they are not the exclusive heritage of any one generation of humanity; a rapid and

widespread but steadied adoption of improvements in industrial machinery and processes; such a distributive system as will widely diffuse the benefits of increased production and will stabilize the operation of our industrial machine; and, finally, an elimination of that insecurity which now characterizes both owners' and workers' incomes. This, in so far as the term has real substance, is what we mean by economic planning.

It is as yet an unanswered question how far a human society, with its inherent imperfections, can go toward the achievement of such a composite goal. Fortunately, this question need not be answered before we set out on the quest. Eliminating fine distinctions, we may mark out three possible methods of approach, or three courses of action, each one of which has, according to its advocates, the potentiality of bringing us as near the goal of a planned economy as a human society can go.

THREE METHODS OF PLANNING

First, there is the "Russian," or "communistic," or "Revolutionary socialistic" method. This involves the sudden and complete discarding of those institutions which now collectively constitute the structure of our capitalistic system, such as private property in natural and man-made producers' goods, competition, and freedom of individual enterprise. For these would be substituted an all-powerful politico-economic authority, temporarily at least a dictatorship, which would in effect, if not in terminology, *become* the industrial system. Obviously, under such conditions, economic planning would prevail. Industry and the state being fused, the agency in control would operate the industrial equipment to a chosen purpose or goal, whatever that might be.

Second, there is the "trade-association" method. This proposes to leave the institutions of our capitalistic economy unchanged, except for such modification as would permit the individual components of each industry to form agreements making effective plans which trade associations would have mapped out for such industries. To foster this sort of planning, our anti-trust laws would have to be so modified as to throw the cloak of legality around coöperative efforts which are now outside the law. Moreover, by implication this method includes the establishment of some governmental agency or agencies having the power to veto antisocial planning which might be done by such associations.

Third, there is the method of relying upon social control through the extension of existing regulatory powers possessed by governments, and through experimentation with new forms and devices of control. More specifically, this means that agencies of democratically established governments would push their control over business activity beyond its present limits, for the purpose of assisting or directing business to the achievement of such goals as were suggested above. On the one hand, governments would here and there surround individual industries with more closely woven webs of positive and negative regulation, thus forcing them to fit their rationally determined social niches more effectively than before. On the other hand, coincidentally governments would experiment with new control devices, especially with government ownership and operation of industry. The greater the extent to which governments restrict and direct the activities of privately operated business units or of entire industries, and the greater the extent to which governments become the owners and operators of industries,

the nearer our economic system will approach a planned economy.

THE METHODS EXAMINED

Close examination of these three possible avenues to a planned economy leads us to the conclusion that the third offers the greatest possibility of progress at the present time. Many of us have great respect for the driving idealism of the revolutionist and for his intense faith in his ability to purify the springs of human action by suddenly changing the economic environment, while no American dare deny that a revolution *may* mean progress. Nevertheless, most of us share with Professor Paul Douglas the chills which he testifies run the length of his spine when he visualizes the revolutionary method in action. It may be that the Communist pictures the most idealistically planned of all possible planned economic societies, and it may be that a planned economy in the true sense of the word will never come until it comes communistically. Although these are questions which must not be answered dogmatically, it is our conviction that we have not as yet arrived at the place where a revolution is the only course of accomplishment. There are other approaches to a planned economy, the resources of which must be exhausted before we turn to the revolutionary and (at least temporarily) dictatorial path.

The proposal that economic planning be done by and through trade associations has received the allegiance of conservative industrialists such as Mr. Gerard Swope. In a sense it is not a scheme for economic planning at all, as its objectives do not include all of those enumerated above. Moreover, its possibilities are fatally limited by the fact that plans so worked out would necessarily be restricted to those furthering the economic advantage of the

owners of the firms in each association. Many other weaknesses of such proposals could be found if time permitted the search. One may seriously question the ability of business groups to sustain any widespread and effective interest in even this restricted sort of economic planning during a period of fairly prosperous business conditions and soothing buoyancy in the stock market. Economic planning, a fundamentally long-run phenomenon, cannot be expected to emerge from the fitful and spasmodic attention which is all that such groups are willing to give it.

Thus, by a process of elimination, we arrive at the desirability of attempting to achieve some measurably successful economic planning through increasing governmental control over industry and through experimentation along the line of government ownership and operation. Although any economic planning which is worthy of the name eventually will necessitate drastic changes in the institutions of capitalism, changes probably of sufficient degree to make the term "capitalism" a misnomer, apparently we shall have to proceed to a planned economy opportunistically along the line of increasing control and planning in this, that, and the other individual industry, as favorable openings for such extensions present themselves. As Dr. Lewis Lorwin has well phrased it:

The issue before the world is not that of jumping from a system of *laissez faire* to one of full-fledged socialist planning. . . . The further study of economic planning should consist not only in the elucidation of the principle and of the institutional changes which it involves, but in specific studies of possible partial applications. . . . The techniques and methods of planning must be studied wherever they have been applied or attempted, and the possible applications of the principle in limited areas and degrees must be considered.

PLANNING HAS BEEN BEGUN

If, then, we may assume that a planned economy is going to come, if at all, through a gradual penetration of industry by government, through evolutionary processes and experimentation designed to develop constantly more effective governmental devices and procedures for coördinating the diversified activities of many lines of industry, the next question is obvious: *Where* should the start be made, and *what*, specifically, should be done first?

In answering these questions, we should formally note a matter which is quite clear. We have already started to plan. During recent decades we have in numerous cases, through government regulation, shaped the structure and the activity of our economic life toward definitely chosen social goals. It is merely being proposed here that the rate and the precision of such shaping be brought to their potential maximums. However, it is not enough to say merely that we must continue an opportunistic policy of extending such control as circumstances warrant and occasion demands. Our present economic difficulties and attitude of mind have created an urge to proceed more rapidly toward comprehensive economic planning than circumstances have ever before warranted. Mr. Stuart Chase has said that this era will go down in history as one in which the first vague strivings toward economic planning will be evident. The existing intensity of interest in planning, coupled with the obvious sterility of business thought as to any other effective way out, creates a condition which should be capitalized to the end of achieving within several decades much more effective and comprehensive planning than Mr. Chase believes probable. But, can we be more specific? *What* should be done?

How should it be done? And *who* should do it?

PUBLIC CONSTRUCTION AS A FIELD FOR EXPERIMENTATION

To go rather bluntly to the answer, we shall set forth and attempt to defend the proposition that our first step toward a planned economy should be the planning of Federal, state, and local public works activities toward some socially desirable goal. Among all of the possible experimental tracts in our economic system where definite planning might be tried, there seems to be no other so ready for the experiment, or offering an environment so favorable, as the field of public construction. By public works, or public construction, we mean all so-called permanent improvements in physical facilities undertaken by Federal, state, and local governmental units. The technique of economic planning must be worked out through experimentation somewhere. The golden opportunity lies in this field.

To go a step further, we may briefly summarize the characteristics of public construction which make it the most likely proving ground for planning efforts:

1. *The economic activity to be planned is already definitely under the control of governments.* Thus, no problem of how to get control essential to successful planning is involved. Although the greater portion of public construction is done by private concerns, the actual direction of the work, so far as its drafting, timing, and financing are concerned, is now purely a government function.

2. *The final products resulting from public construction are not offered for sale on competitive markets.* Since the demand is a social and not an individual one, only long-run social benefit and long-run cost need be considered when

any individual project is under consideration. The difficulties of forecasting demands for individual products on competitive markets and of adjusting production to such questionable forecasts are wholly absent from this field.

3. *A definite goal has been set up for planning in the field of public works.* This goal is such a prosecution of public works projects that, to the greatest possible degree, public construction activity, and the direct and indirect employment opportunities it offers, should be made to fluctuate inversely to private construction and general business activity. Public works undertakings, it is held, during periods of business activity should be limited to the irreducible minimum of immediately essential improvements, and during depression periods should be expanded to include all socially desirable projects which may be postponed or advanced from relatively prosperous times. This goal is so generally agreed upon that supporting arguments need not be presented in this discussion.

4. *The importance of the public construction industry would cause the results of successful planning there to be widely felt.* Dr. Leo Wolman's estimates show that public construction expenditures by Federal, state, and local governmental units in the United States averaged about \$2,800,000,000 per year for the period 1923 to 1928, the last two of these years showing expenditures of \$3,500,000,000 per year.

A generally accepted goal for planning has been formulated in the public works field, and conditions there are conducive to the successful direction of activity toward that goal. It is logically sound to conclude that this is the sphere within which we should try our planning wings. Should successful accomplishments follow, the resulting experience and technique would assist in extending planning activities to

other fields of economic activity. Should planning attempts here fail, it seems rather hopeless to expect greater success in other spheres where the problem is complicated by the necessities of setting goals, acquiring control, and manipulating the intricacies of competitive markets.

FEATURES OF PLANNING FOR PUBLIC WORKS

Granting for the moment the soundness of this conclusion, we may hastily summarize the immediate steps which should be taken toward the institution of economic planning for the public construction industry.

1. *The construction activities of each autonomous governmental unit should be concentrated in one department of that government.* In the case of our Federal Government, new construction work is now carried on by at least seventeen bureaus functioning under eight executive departments, and in addition by at least six independent boards and bureaus under the President. So far as the city government of Philadelphia is concerned, nine city departments carry on construction activities, under sixteen separate bureaus. The Federal reorganization plan, the parenthood of which is claimed by both President Hoover and certain Democratic leaders, provides for a concentration of all nonmilitary Federal construction into a Public Works Administration, to be directed by a Public Works Administrator. The La Follette public works bill, recently introduced into the Senate, carries a similar provision. Moreover, in the case of the Federal Government, some centralization of authority has already been achieved through the Federal Employment Stabilization Board recently set up. States and municipalities, however, have shown no similar inclination to attack this problem. Planning is the very antithesis of the

decentralization of public works administration now prevailing in Federal, state, and municipal governments, and the very first step toward planning must be a correction of this difficulty.

2. *These construction divisions of Federal, state, and local governments must be given power to time the initiation of some or all of the construction work done by their respective governments.* If the commonly accepted goal for public works planning is to be achieved, the timing of these projects must be removed from the immediate exigencies of political maneuvering. The considerations which at the present time dictate the initiation of certain projects at certain times are too well known to need elaboration. If we cannot find or create some agency in our Federal, state, and local governments to which this power can be intrusted with the assurance that the timing will be kept in line with the socially desirable end to be achieved, planning becomes, to my mind, impossible.

3. *These construction divisions must have the power to reserve or earmark needed amounts of borrowing capacity as reserves against the expansion of public works programs during periods of general business depression.* This is especially necessary for states and municipalities possessing only limited borrowing capacities, which, in the absence of definitely planned reserves, are usually found to be on the verge of exhaustion when an emergency calls for an expansion of public works expenditures.

4. *The construction divisions should be set apart from the active influence of political considerations as much as possible.* This probably means that they should no longer be executive departments with a change in personnel and policy following every change in administration. Possibly they could take the form of Federal, state, and municipal public works commissions

with terms of office not coinciding with the terms of the executive branches of these governments. Such a change would, of course, afford greater opportunity for these agencies to be composed of competent technicians rather than political climbers. Little planning can be accomplished so long as those directing such activities are exposed to all the political winds that blow.

5. *There should be close coöperation between these Federal, state, and municipal agencies.* Since municipalities are merely subdivisions of states, close relationships between state and municipal agencies may be formally constituted. Informal but close coöperation between the Federal and other agencies would be wholly desirable. The sort of planning of public works here being proposed would necessitate the collection and the interpretation of much current information on general business activity, construction activity, employment, construction costs, and credit conditions. Many of these data could best be collected and interpreted by the Federal construction agency, and through it be made available to state and municipal governments. On the other hand, state and municipal reports would assist the Federal department to shape its program and to advise states and municipalities in shaping theirs.

6. *Finally, and in a sense most important of all, Federal, state, and local governments must accustom themselves to the long-range planning of the development of their physical facilities and of their capital outlay financing.* If public works are to be planned to the end here proposed, the several governmental units must at all times know individually, and with some degree of precision, what physical facilities they are going to want or need within a ten-year period in the future, and they

must know, rather definitely, how the construction of these facilities is to be paid for. In other words, they must forecast, because *planning without forecasting is impossible*. But, as we have pointed out, such governmental forecasting would not be hampered by those difficulties encountered when an individual business concern forecasts demand for its product in a competitive market. It is only if such long-range planning of facilities and their financing is instituted that a construction division of a government can plan the immediate administration of construction activities to a chosen goal. Fortunately, the technique of long-range planning of facilities and of long-range capital budgeting is being developed by

many governmental units in the United States today.

We have attempted to describe the position of a planned public works industry in a general scheme of economic planning. The immediate rôle of public construction is that of the experimental farm in agriculture, or the laboratory in engineering. Our economic society today awaits some sincere attempt on the part of Federal, state, and municipal governments to plan and coördinate public construction activities toward the partial stabilization of general business activity and employment. If we wished to be extremely dogmatic, we might conclude: *Plan now or never—plan here or nowhere.*

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Does City Planning Assist Economic Planning?

By CHARLES W. ELIOT 2D

DOES economic planning need assistance? Planners are often dreamers. Do our economists need to be brought down to earth? If so, perhaps city planning can assist, for it is with physical matters that city planners are concerned. It is a stiff subject, and one about which we cannot be very visionary. The city planner deals with the moving of dirt and the building of structures. The surface of the earth, in small patches to be sure, already begins to show what city planning can secure.

Economic planning covers so large a field, including city planning and so much else, that there seems to be difficulty in finding an agreed definition of its scope. No one has yet determined where or how to get hold of the unshaped mass of economic problems under a capitalistic system so as to form them into a plan. Perhaps the technique developed in city and regional planning during the last few decades may suggest a method of approach to the larger problems of economic planning.

POINTS OF VIEW OF THE CITY PLANNER

First of all, let us consider some of the points of view which the city planner has tried to keep before him. They may indicate the kind of assistance which city planning experience can bring in this larger field of economic planning. Take the motto of one of the greatest city planners, Daniel Burnham, whose first command was, "Make no little plans. They have no magic to stir men's blood." Now, that saying does not mean that we are to sleep and dream;

it means that we are to think big, to have imagination, and know our aims. That motto requires plans in practical forms—a physical form, a composition, a design which men can comprehend.

City planning is the making of a "record of the will of the community as to the use of the physical areas which it controls." It is a *continuous* process in the same way that economic planning must be continuous. It must be based on past experience and on acceptance of much that now exists, to which must be applied imagination and vision for the future. That rules out the "revolutionary" method. No plan is ever complete; it must grow, evolve, and change with new conditions. We have found that through revolutions and through every kind of upheaval, one of the most permanent things on earth is a street. Now, that may sound extreme; but go back to Egypt, to Greece, to Rome, and the areas that were highways one thousand, two thousand years ago, are still highways. There is a stamp of use upon land which endures no matter what happens to the empires. So we must build, at least so far as the physical relations of planning are concerned, with a view to continuity and in strictly practical terms. It is this hopeful attitude of the city planner, of looking forward to a practical goal, which may assist those interested in economic planning. Building on the present with the experience of the past, assures the practicality of city planning work.

Emphasis on *prevention rather than cure* is another of the cheerful points of view of the city planner which may

be useful in the larger field of economic planning. Many people have thought of city planning as something expensive, but the ounce of prevention is still worth many pounds of cure. Enormous sums are going to be spent in your city, for example, for public improvements during the next ten years. Is each dollar going to contribute its share to the final result? Most likely, much of what is constructed in the first five years will be ripped out and changed or replaced during the second five years. Planning should make possible the avoidance of a large part of that waste. City planning is concerned with preservation of the continuity of the development of an area by preventing mistakes and thus avoiding the necessity for cure, and by seeing to it that each step fits into the ultimate scheme.

From these points of view it follows that city planning, like economic planning, is primarily concerned with a determination of the goal, and then with timing and coördination of activities toward that goal. In order to develop programs in accordance with a plan, the city planner has had to develop the artistic and scientific aspects of his field with an analysis of separate factors and finally their integration into a single scheme.

TOOLS OF THE CITY PLANNER

What are the tools at the hand of the city planner? In a field so very much simpler than that of economic planning, experience has shown that there are two fairly definite lines of action along which we can make progress. We are concerned first with the direction, the extent, and the character of public improvements; second, with the control, the stabilization, and the stimulation of private development. In many ways, of course, these two lines of action are interrelated; for it is obvious

that public improvement must depend upon the money which comes from the tax return and the financial condition of private investments. Conversely, control of private developments and public investments in new public works seems to be helpful in the stabilization, the maintenance, and the enhancement of values of private property. City planning is thus immediately concerned with one phase of economic planning.

To formulate a program and to understand the relation between these two parts of a city planning program, two lines of study and analysis have been commonly adopted in city planning work. First is investigation of the suitability of different parts of the surface of the earth for different purposes. In this field we must explore the land and water areas, the soils, vegetation, topography, and other natural conditions. Having a clear idea of the possible use of these areas for different purposes, we can then pursue the second study of the present actual human use of the same areas for business, residence, parks, institutions, or other purposes. These studies of past experience with normal growth of population and of built-up areas, have given us tentative laws or rules which may be taken as indications of what will happen if city planning is not exercised. At the same time they may show us what influences may be brought to bear to direct these natural tendencies so as to bring conformance with a preconceived plan.

Studies of natural resources and of the human use of these possibilities emphasize again the dominant influence of the physical conditions upon human behavior and economic values. We all know that cities have grown and prospered when they have been located at significant points of meeting of coal and iron, or of sea and

land. Population has gone where the natural resources were greatest, for there employment and economic return is more certainly assured. In the field of city development, we find a similar situation reflected in land values in relation to the suitability of property for urban use or for development of a country estate. The utilization of the natural physical conditions and the cost of converting those conditions to a human use largely determine what that use shall be. It is ridiculous, from an economic standpoint, to try to make a city grow in the rough areas when it naturally grows in the flat areas. In places that are naturally suited to parks, it is a mistake to try to build up rows of houses—it is economically unsound. Our plan must always be related to the resources that nature has given.

For centuries, men have settled where transportation facilities meet. Again in the smaller field of city planning, we find that the location and the efficiency of transportation routes is a primary factor in determining the direction and the type of growth of suburban areas. In the days of the automobile, the flow of cars on smooth pavements has largely displaced the steam and the electric railroad, and so we find that the paved highway is the signal for the "hot-dog" stand and the filling station, and sooner or later a new community.

It is through analysis of familiar facts such as these and by their application to more detailed and smaller-scaled conditions that we find that almost all public improvements—water, sewer, recreation—exercise an influence similar to that of transportation upon the direction, the speed, and the character of urban development. It is by acknowledging these tendencies and by familiarity with the workings of these pseudo-scientific laws that the

city planners have developed those theories which are essential to the integration of facts to form a plan. If development can be stimulated or discouraged by the provision or lack of provision of public facilities, we have a tool for the control and the direction of city growth.

PUBLIC CONTROL OF PRIVATE PROPERTY

In the second field of effort, also, city planners are making some progress toward development of a planning theory, and that is in the control of the use of private property. Private restrictions and voluntary adherence to rules and regulations have been attempted and utilized for centuries in the real estate field. In Europe more radical attempts for public control have been in process for over a century. At the time of the founding of the National Capital, President Washington issued a set of building regulations which governed the appearance of buildings, as well as their height and structure.

But the expansion and vigorous use of this second tool in the formulation of the program for city development has been utilized to a great extent only in the last twenty years, through zoning. Perhaps it is too soon to go into any raptures over the wonders of zoning. We have had a good many shocks during the last few years over the debauchery of boards of appeals and the ways in which they have been manipulated for private gain and special privilege; but at least we have, through the last two or three decades, worked out a new method of restriction and control over private use of land which offers many possibilities for enlargement in the general field of private improvements and private work. Success in the control of private property must depend upon the solution of many

current problems and particularly of violent conflicts between our taxation and zoning policies.

City planning, through these tools of control of public investments and private improvements, may assist economic planning, for the same two tools are apparently applicable in the economic field.

PLANNING IN THE NATIONAL CAPITAL

The experience of the Capital of the Nation with city planning is perhaps the best explanation of the possibilities of city planning procedure in relation to economic planning. Here we have a city of about half a million which has grown in a series of spurts, timed in each case with a war. It has spread beyond the original city laid out by Pierre L'Enfant, into the surrounding portions of the District of Columbia and beyond into Maryland and Virginia. Population has followed the transportation lines along the railroads and improved highways. The flat land has developed before the rough land, the high land before the low land, and the installation of water and sewer facilities or the provision of adequate parks and schools has definitely accounted for the precedence of one development over another. The city plan has provided a schematic diagram for just such development, and as each new piece of property has come into intensive use, it has been reasonably well known what areas were going to be essential for future main traffic lines or for parks, and so each section has added its portion to the total fabric.

For the further extension and development of the city, plans have been prepared for main thoroughfares, principal park areas, recreation grounds, and school locations, all in conformance with a broad concept of the future relation between the built-up portions of the area and the open spaces. These

plans have meant the avoidance of mistakes, but have, of course, failed to prevent many serious errors which the use of the plan might have averted. There has thus been before the Nation and the local community a scheme, a goal toward which to work.

A second step in planning must be the indication of priorities. The first requirement is a definite goal. Then, knowing what is desired, the indication of priorities should make possible long-time financial planning. Many city planning commissions have tried it and there have been notable cases where bond issues have been carried on the basis of such programs; but in general this is a new field for city planners, for here they are getting into primarily economic considerations.

In this field not so much progress has been made in Washington, for there, as in other cities, it has been difficult to adjust the programs for improvement to the financial ability of the municipal organization. In the field of highways, the National Capital Park and Planning Commission has indicated priorities through a regional highway scheme and through a major thoroughfare plan for the District of Columbia which has been followed in a five-year program of street improvements. In the field of parks, the Commission has secured the adoption of a program for the principal regional parks, particularly along the Potomac River, and has indicated in order of importance the proposed local recreation centers in accordance with the anticipated growth of the suburban communities and the expected rise of land values.

The experience of city planners in relation to the development of municipalities has naturally led to the adoption of similar methods of procedure in the study of larger units. The exhaustive researches of the

Russell Sage Foundation and the Plan of New York and Its Environs are the best examples. And now there are regional planning commissions in many of the metropolitan centers of the country. Beyond regions, there have been efforts at state planning along the same lines. New York, Michigan, New Hampshire, and Massachusetts have all begun work towards state plans. Perhaps this method of approach offers a suggestion for national planning.

COORDINATION OF PLANNING AGENCIES

City planners have also made progress along another line of action—the coördination of public and private agencies involved. We have developed in Washington, for instance, a series of committees of different agencies—Federal, state, county, and local—including representation of the private citizens as well as of the officials, and the same kind of grouping of organizations has taken place in the regional planning work of Philadelphia, New York, and most of the cities of this country. Bringing together the executive officials and interested citizens in order to try to coördinate these different schemes and plans to make one single plan is a great accomplishment, and one which is very desperately needed in the larger field of economic planning, particularly among the Federal agencies. Possibly the new Stabilization Board in Washington, under Colonel Sawyer, may be able to do that. Colonel Sawyer certainly has a wonderful opportunity.

NATIONAL PLANNING

We have in Washington today numerous agencies of the Federal Government making decisions of vast importance and of determining character as to the future uses of millions of acres of this continent. Those decisions affect not only the deserts and

the mountains, but also the most densely populated areas and our most valuable assets. We have seen that transportation is one of the most potent influences in determining the place and the character of population density. In that one field alone, in Washington, there are bureaus making decisions entirely regardless of each other and with little or no knowledge of the effect of their decisions upon the future distribution of population. Each agency makes the best decision it can with the limited facts that it has available. The Bureau of Public Roads is determining the future highway system for the country; the Inland Waterways organization is determining the canal routes and the development of our rivers; the Interstate Commerce Commission is fixing railroad rates and permitting or refusing extension of railroad lines. Sooner or later there must be some regulation and control of air lines. What is needed is understanding by each of these agencies of the effect of their decisions, and the bringing together in one place for study, of the facts concerning the interrelation of these different systems, their history, their present condition, and the proposals relating to them.

In the field of our natural resources, we are still woefully ignorant of what the possibilities are—of what we have and how they can be utilized. We have the preposterous situation of one Federal Department begging the farmers to restrict their crops while another Federal Department is busily building dams so as to irrigate and bring into use more farm land. These failures to secure a coördinated policy only have to be stated to be evident. Is it not possible that the assembling of such data in accordance with the methods tried out by the city planners, their analysis and publication may

prove the easiest and most effective "next step" in economic planning?

It seems to me that the time has come when we can get hold of this amorphous mass of hope and desire which we call economic planning by attacking the physical aspect of it. I have such confidence in the democ-

rary that I believe that if facts are sufficiently clearly put to the voters, they will see to it that some plan will be followed. It is high time that we should have a national planning agency to point out whither we are bound and to set up goals toward which we may work.

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Long-Range Budgeting of Public Capital Expenditures

By KARL T. COMPTON

I HAVE heard it said that the degree of civilization of a people is measured by the extent to which it foregoes its present desires for the sake of its future satisfactions. I think this is equally true of individuals and of social groups; and, measured by this standard, I think it is fair to say that the social group, such as the municipality or the state or the Federal Government, at the present time falls very far short of the ideal which an economist or an engineer would like to set up.

LONG-RANGE PLANNING ESSENTIAL TO CIVILIZATION

Now, I think an equivalent definition of civilization is this, that civilization of a people is measured by the extent to which it is able to plan its course and to steer according to that plan. So, in discussing long-range planning, I think that we are discussing one of the most basic things on which our civilization rests, and one of the things that really must be developed if our social structure is to progress.

I realize perfectly that it is unnecessary to advocate or to argue for long-range planning. The great need is to educate and lead the voting public to demand that something of this sort be done, and to induce legislative bodies to see that it is done. Perhaps the present economic depression is doing us a very great service by forcing us to give more serious attention to this subject. In any case, it is very encouraging to note the various movements in the direction of long-range planning which have recently come into being.

Since long-range budgeting is an essential aspect of long-range planning, I will discuss these two subjects together.

My remarks are briefly grouped around three subjects. The first of these has to do with the need of planning, in two of its aspects. The first is that in order to have effectual and economical attainment of valuable results, it is necessary to be able to weigh relative values and to balance the future gains against the costs; and this can be done only if the work which is in prospect is viewed in the perspective, or against the background of some sort of a long-range plan which states the ideal toward which we wish to move. Without this sort of planning, society is more like an animal than like a man, to use an analogy. It is impulsive, it is likely to be selfish and greedy, and to move without very much goal or purpose. It may perhaps be lovable, but it is relatively ineffectual.

The second point in the need for planning is that it is only through planning that public works construction can be used really effectively as a means for stabilizing employment.

Dr. Loucks described very well the objective that we have in view in using public works as a stabilizing influence.¹ As he stated it, the public works activity should be in some sort of inverse ratio to the general business activity. In other words, it is desirable to draw in employment for work on public construction at a time when this labor is not being bid for in private industry.

¹ See "Public Works Planning and Economic Control," in this volume.

Without this, we inevitably have some very bad features. We inevitably have the waste that occurs when things are done and have to be done over again, when they are done pointlessly, when they are done without adequate planning. Then some times it is impossible to proceed, even though we wish to proceed, because of the lack of plans and the time which is necessary in order to get detailed specifications drawn up, and go through the legal procedures that are necessary to acquire sites, and things of that sort.

As an example which is not unique during the present depression, one of the states impulsively, and with admirable motives, voted a large appropriation for public works construction. But the fiscal year is coming to an end with less than one fourth of that appropriation having been used—not because there was no desire to use it, not because there was not a great demand for employment, and not because there was not a great deal of work to be done; but simply because the plans could not be prepared rapidly enough and the sites could not be acquired in time.

For example, sites can ordinarily be acquired more rapidly for road construction than for buildings. It takes an average of about three years of work and planning, with a definite objective, to overcome the legal obstacles or hurdles that can be thrown in the way of acquiring desired building sites.

THE TIME FACTOR IN STABILIZATION

The second point is the importance of the *time factor* in bringing anything of this sort to bear as a stabilizing influence. Speaking as a physicist, I can use a physical analogy. When any physical system begins to get out of equilibrium or out of balance, the more quickly the remedy is applied,

the less strenuous this remedy has to be. I can use an example which is probably familiar to us all. We have probably watched groups of children trying to balance a broom on the nose. We may have tried it ourselves, and found that the reaction time is a very important feature. If the broom falls over a little too far, we may have to run clear across the room in an attempt to get the broom again in an upright position, and will probably fail. So, similarly, I think that what we might call "economic reaction time" is an important factor in arresting these downward trends before they have acquired the volume and the momentum of an avalanche—before they have had the effect on the psychology of the investing and industrial public which really brings about a big depression. Thus, any plan of stabilization should be capable of being put into effect within a reasonably short time after the need for this stabilization arises.

So, to be effective, there are three things that are necessary. In the first place, there have to be plans in which the actual specifications are worked out for at least a year or two in advance. In the second place, there must be legal authorization, so that whenever the emergency arises, plans can be set into action without waiting for, or perhaps bickering in political discussions over, that feature. In the third place, there must be some method which has been arranged in advance for adequate financing of such additional public works construction as is desirable in a time of depression.

PROPOSED MASSACHUSETTS LEGISLATION

I should like to speak very briefly, as my third point, on some aspects of a study which has been made by the Massachusetts Commission on Stabilization of Employment, which has

resulted in the introduction of several bills before the legislature, one of which has to do with advance planning of public works. That bill provides for a planning board. It is necessary, of course, to have some one responsible for carrying the thing out. It is advisable to have as little machinery as possible. So this board would be set up so as to utilize the services of several officials who, in the course of their other regular duties, have occasion to be in touch with many of the factors that are needed. The particular board that is suggested consists of five. A chairman and another man who is familiar with the construction industry would be appointed especially for the board, and the other three would be existing State officials—the Chairman of the Commission on Administration and Finance, the Commissioner of Labor and Industry, and the Director of Accounts. We estimate that the total cost to the state of operating this planning board, including salaries and all operating expenses, would be in the neighborhood of \$30,000 a year.

The duties of this planning board would be: (1) to keep track of the trends of employment, so that it could report to the legislature or the Governor at any time as to whether or not an unemployment emergency was in existence or was probably approaching; (2) to collect from all those agencies over which the state has control, construction plans for five years in advance, with at least approximate estimates as to the necessary budget; (3) to see that the plans for at least one year in advance of the current year's construction were prepared in sufficient detail as to specifications so that the work could be promptly put into operation; (4) to recommend to the legislature a five-year public works construction program with an estimated budget, also the particular

construction out of that program for the ensuing year (which would be one fifth of the total five-year amount) together with detailed plans and specifications for one year in advance of the present construction.

LEGISLATIVE ACTIONS PROPOSED

The legislative actions which are required under this plan are the following: The legislature would adopt a five-year program, subject, of course, to revision and readoption each year so as to be flexible. The five-year plan adopted would presumably be that recommended by the planning board, or such a plan as amended to suit the best judgment of the legislature. Then the legislature would be called upon to make an appropriation of one fifth of the estimated cost of the five-year project. That would be enough to take the construction program ahead for the ensuing year. And finally, what is perhaps the most unique feature of this bill is the authorization by the legislature of the issuance of short-term notes or bonds up to a maximum of one half of one year's appropriation, to be issued only if an unemployment emergency were declared to exist by the Governor, upon advice of the planning board.

The advantages of this last provision are that, if an unemployment emergency occurs, it is not necessary to wait for a sitting of the legislature or for the passage of a bill. The authorization is limited to the cost of a half year's construction program. But that, together with the existence of the planned specifications, would enable the work to be gotten under way rapidly.

These short-term notes or bonds are designed to mature within five years and to be callable any time after two years, and they are to be retired by charging them to a portion of the ordinary annual appropriation for the

ensuing five-year period. Thus, the net result of this arrangement would be that the total cost of the work for any five-year plan of public works would be the same as if the emergency had not existed. During the emergency, some of it would be speeded up and paid for by these short-term notes which would be retired by appropriating to retire them, a certain proportion of the appropriation for the ensuing years. And during the ensuing years, the public works construction would be somewhat less than it would have been otherwise, but the ultimate amount of work done over the five-year period would be the same as if the emergency had not occurred. The annual appropriations would be the same as if the emergency had not occurred; there would be no additional taxes, and no financing of public works which would require the withdrawal of funds, such as by taxation, which would otherwise be effective in other channels in relieving unemployment. Finally, the public and private labor demands would be properly adjusted for stabilization, in that construction labor flows to public works during times of economic depression, and flows in the direction of private construction during good times.

THE FATE OF THE BILL

This, in brief, is the substance of this bill, which has the support of all of the leading groups of organized labor in the State of Massachusetts, of the organized groups of engineers, architects, industrial groups, and economists, and, so far as I am aware, it has no opposition. The legislature, however, is playing safe this year, apparently doing nothing which is unnecessary, and has referred this bill to its next session. It is urgently to be hoped that this proposed legislation, so obviously helpful and safeguarded, will

not be postponed until our people are again lulled by a false sense of temporary security.

RELATIVE IMPORTANCE OF PUBLIC CONSTRUCTION

Now I wish to speak very briefly about some specific questions and considerations regarding the effectiveness of public works as a stabilizing factor for unemployment. The first of these is that public works form a relatively small part of total construction. In absolute magnitude, public works are a very large factor and can be of enormous influence as a stabilizing factor. Relative, however, to the total amount of construction, they are not particularly large. I have at hand only the data for the State of Massachusetts, but in that State the construction *by* the State is about 6 per cent of the total construction *in* the State; i.e., public works form about 6 per cent of the construction that goes on in the State. The employees who are employed upon public works, by the State and agencies under the control of the State, comprise about 1 per cent of all the employees engaged in construction in the State.

Now, of course, the amount of construction which is carried on by the cities and the towns is in the aggregate considerably larger than that carried on by the states, and that of the states, in turn, is considerably larger, I believe, than that of the Federal Government. In Massachusetts, for example, the twenty-six largest cities spend in annual construction for public works, more than twice as much as is spent by the State in public works.

As to distribution, a little more than half the public work in that State goes into highways; the rest of it goes into buildings, parks, sewers, and waterways, in approximately that order of

importance. In some of the other states, the ratios would be somewhat different. In some of the newer states, for example, where highway construction has not been carried on for so many years, construction and highways probably are a relatively larger factor.

DISTRIBUTION OF PUBLIC WORKS APPROPRIATIONS

Another question which is very frequently asked in regard to public works as a factor in stabilizing employment is, How much of the appropriation for public works actually goes into the pockets of the employees? How much, in other words, goes to labor? A survey of roads, bridges, and buildings indicates, with surprising similarity in all of those fields, that about 75 per cent of all of the money that goes into public works goes into wages—labor. Of that 75 per cent, about 35 per cent goes to wages of laborers that are on the actual construction job. About 30 per cent goes to laborers who are engaged in the production of the materials that are used in the construction job, such as cement, sand, and steel, including also transportation. About 10 per cent goes to the laborers who produce the machinery which is used in the construction or in production of materials. Thus, altogether, something like a total of 75 per cent of the appropriation goes immediately into wages.

There is another question that is very frequently asked: How effective is this amount of money, put into wages, in creating employment? There we have to consider the turnover of the wage money. There is, of course, a certain multiplication factor, because when Concrete Mixer Smith gets his wages, those wages are expended by him probably within a few weeks, and they go perhaps to the retailer, and are

then distributed among the various wholesalers, in transportation, and among the producers. The money goes through the pockets of each of these and again goes through the same sort of a cycle. I do not know whether the multiplication factor has ever been worked out, but it is certain that, taken over a period of a year, there would be a very considerable multiplication factor that would have to be considered.

CONSTRUCTION NOT CHEAPER DURING DEPRESSION

Now, there is another point in connection with these detailed studies that is perhaps of interest. It is often argued that public works should be conducted during times of depression because then the construction is cheaper and the public will get a larger amount of construction for its money. Our Commission has just made an investigation of this point and finds that this argument appears to be fallacious. At least, if the public works construction is put into effect as promptly as we think it ought to be to act as a stabilizing influence and as a check upon a tendency toward economic upset, the wages and the cost of materials have not fallen enough to make that argument valid. In fact, a survey of the costs of construction of public works in the various periods of depression over the last few decades indicates that in some of these periods the costs were a little higher than they would have been just before the depression. In others, they were a little lower; and the average was about the same. So this argument for carrying on public works in a time of economic depression from the standpoint of getting more for the money is not sound. But I think all the other arguments that have been proposed are valid, and that public

works construction can present a clear case as a stabilizing influence for employment.

There is just one more question to be answered. How important are public works in stabilization? I have quoted some figures to indicate that in some ways they are not very important, at least as measured in terms of total expenditure for construction or in terms of the total amount of employment in any given region.

However, I think that we probably will be unsuccessful if we try to find in any *one* means a universal panacea which will prevent these business cycles and periods of depression. But we can intelligently decide on a *group* of actions, of which public works is one example, each of which can clearly be demonstrated to have the right kind of stabilizing influence, with the expectation that the combined influence may be really powerful in stabilization.

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Municipal Construction as Unemployment Relief

By D. H. SAWYER

THE Federal Employment Stabilization Board is an independent organization, composed of the Secretaries of Commerce (as chairman), Treasury, Agriculture, and Labor.

Advance planning of public works has been emphasized as one of our duties. We are required to develop six-year plans of the Federal agencies, with a yearly revision. There are between eighty and ninety agencies of the government that are concerned in construction and maintenance. If to these we add the City of Washington, which is included in the legislation, we have agencies totaling almost one hundred and twenty. To contact all of those, with their variegated personnel set-ups, authorizations, appropriations, field organizations, and such, is no mean task.

GATHERING AND ANALYZING CONSTRUCTION PROJECTS

I am glad to say that as the result of a resolution by the Senate, we were able to lay before them, two or three months ago, two volumes totaling over 400 pages presenting the ambitions and the best judgment of over one hundred Federal agencies, in the exposition of individual projects which they hope to accomplish within the next six years. We have never totaled these projects themselves in number. I think there are between 10,000 and 25,000. That will give you an idea, I think, as to the size of the problem that one faces when talking in terms of a state, a county, or a city.

We have gone through the mechanics of the operation in bringing in that information. The next and most in-

teresting phase of the work is an expression of discretion and judgment on the plans that are presented. We have found out in Washington with considerable analysis and study, that that expression of discretion involves very serious research. The National Government must respond in some of its expenditures, in some of its thinking, to certain trends of a national character. We readily understand that population is one of these. Knowing full well that a great deal of governmental construction is in the West, we see that it should take cognizance of agricultural growth. Knowing that construction involves expenditures of money and contributes to the national wealth of the country, we cannot escape treating it in terms of national income. Since construction leans heavily on manufactures, we cannot escape considering again the continual increase of industrial production.

There are other trends and analyses that can be applied to governmental construction work. Whether it be the Government, the state, the county, or the city, the ambitious and trustworthy public official is not unmindful of supporting his department. In the aggregate, the basket of public expenditures may be too heavy a load for the structure to carry. We also discover that other public officials, just as trustworthy, just as imbued with the needs of the public, are unduly modest. Some board, whether it be local or national, must protect that man and the agencies that he represents in evaluating the program which he sends in. So, on one hand we must have facilities of an analytical nature to

check the ambitions of the good salesman, and on the other, to appraise properly the ambition of the man who is unduly modest in his requests.

IMPORTANCE OF CITY BUDGETING

I am very much interested in the cities, in the problem of long-range planning. Far and away, the opportunity for accomplishing the public good rests with the city problem more than with the Federal work. In the aggregate, we find that the expenditure for public works in the cities is ten times that of the Federal Government. If that be true, we can easily recognize the importance of applying this principle to local issues.

Again, if we treat construction as an unemployment relief measure, it is recognized that the dollar can be very much more quickly invested in a city than it can be where its expenditure comes from the public treasury.

Merle Thorpe, the editor of *Nation's Business*, is by his radio broadcasts driving home the fact that there is in the United States a broad body of citizens that are not in accord with the unwise expenditure of public dollars. There are also, of course, those who think that the public dollar should be more widely expended for public works than it is today. In completing a program as a result of long-range planning, I think we will find nothing incompatible between these points of view. We must in normal times restrain some construction work, in order that it may be available when gloomy times come. I think that answers the specification of the man that rails against high taxes. If that man sees detailed projects of public improvements in his community brought year after year to the budget officer, with revisions, and can analyze them and see how they meet the public

need, he will more nearly be won to a recognition of their validity when they are presented before the city council.

To establish long-range planning in a city requires three operations: first, an enabling ordinance; second, the creation of a board possibly similar to that backing up our staff at Washington; and third, a competent staff. I want to give considerable prominence to the necessity for the creation of a board that gains and holds the confidence not only of the city administration, but also of all the people of the city. The board must not only outline the things which the staff must administer, but likewise exercise discretion as to the work proposed by the various construction agencies.

ADVANTAGES OF CITY BUDGETING

What is the gain if this system can be brought about, particularly in the municipalities? One is employment. We are in a serious situation today. Not all cities of the United States are financially embarrassed. Many, probably the greater number of them, have slack in their borrowing power. But it does remain a fact that the investing public looks with considerable concern on the purchase of municipal issues. It is possible, I am quite sure, to restore the credit of the cities if year after year this board and its staff can bring about in the aggregate, public improvements below the borrowing power of the city. If that is done, and if it is a matter of note to the investors, when hard times come there is a reserve there, the credit of the city has not been impaired, and with every assurance, projects which have been analyzed in advance can be quickly thrown on the market and a measure of relief of a very helpful nature be launched.

The hope of the city today rests

very largely in advance. budgeting.¹ This means using a larger telescope, and looking several years ahead. As those projects are analyzed, year after

¹See *Preparation and Administration of a Municipal Capital Budget*, by Albert H. Hall, Director of Bureau of Training and Research, New York State Conference of Mayors, City Hall, Albany, N. Y.—EDITOR'S NOTE.

year, and accepted or rejected, there is every assurance that, as the budget officer takes cognizance of the requests that will soon reach the council they will answer to the specification which will relieve unemployment in case hard times come, and the credit of the city will be maintained.

Colonel D. H. Sawyer is director of the Federal Employment Stabilization Board. He was construction engineer for the Government during the War, and later executive secretary of the Associated General Contractors of America.

A Program of International Public Works

By LEIFUR MAGNUSSON

THE period since the War has, more than any other like period of years in the world's history, brought about the establishment of organizations for maintaining peace and promoting economic recovery. Among these new instruments is the International Labor Organization of the League of Nations. At the first conference of the Labor Organization in 1919, it was recommended that economic recovery be hastened through undertaking public works on a national scale. Several studies and commitments of the Organization since then have emphasized the international character of the economic depression and its resulting unemployment, and have advised remedial action which would be international as well as national. Among the latest suggestions is one for an international program of public works.

A CYCLE OF COMMITTEES

Asked by the League Committee on European Union to coöperate with it, the Governing Body of the International Labor Office in October 1930 instructed its Director to lay before that League Committee any proposals that he might wish to make for the practical solution of unemployment. This he did in April 1931, to the Commission on a European Union.

The Commission on a European Union delegated the question to its Credit Problem Committee because of the financial questions involved. This Committee in turn referred the problem to that part of the Communications and Transit Organization which deals with Public Works and National Technical Equipment, which in October

sent out a detailed questionnaire to the governments asking for specific recommendations, with detailed data on cost, extent of possible employment, and so forth.

In the meantime, the Commission of Inquiry for European Union had passed on this action, and the Assembly and the Council had authorized continued action.

However, the International Labor Office had, in the June previous, made a hasty inquiry of the governments, asking them to indicate what public works they thought desirable for execution in the near future and for which they would like support of international credits.

Replies were had from twenty-six countries, and thirteen had definite proposals involving upward of \$1,000,000,000 and 550,000,000 man days of work spread over a period of years. It was these schemes that came before the Public Works Committee above, which it was now planned to formulate more precisely as to feasibility and immediate adaptability to the situation. The Director of the International Labor Office in January pressed for continued action. The Public Works Committee met in Paris on March 30, 1932, and examined and weeded out some of the plans transmitted to them as a result of the October questionnaire. At this writing, therefore, the question of financing is still to be acted upon and will be taken up at the League Council meeting in May.

In the circular to the governments sent out by the Communications and Transit Organization of the League is

found the guiding lines of the whole work initiated by the International Labor Office. The Committee asked the governments for "concrete proposals," namely, those which had been sufficiently worked out with definite indications as regards costs. It asked for the amount of work that would be provided by the plans, and emphasized the need for selecting projects most likely to "bring about an improvement in the present economic crisis." The Committee pointed out that it would not be interested in schemes tending to increase the industrial or economic equipment of the countries where such equipment was not being fully utilized or made actually productive. It was interested only in undertakings which would result in a "better distribution of manufactured goods or foodstuffs"; measures that would bring about "a fall in production costs or transport costs"; that is, measures creating new markets or introducing new buyers, and involving not an expansion of capital equipment, but a demand for consumers' goods.

A PROGRAM EVENTUATES

The Committee that met at Paris, mentioned above, sorted out the thirteen proposals that came in response to the preliminary questionnaire of the International Labor Office, and accepted the proposals from four countries of Eastern Europe. What each of these asks is this:

Two projects of the Yugoslavian Government propose the construction of certain waterways and a bridge over the Danube, all of which would promote communication between Rumania and Western Europe; and construction of a road parallel to the Hungarian and Rumanian borders, across Austria from a point lying in the direction of Munich and extending down into Greece near Salonika, after having

passed through the chief cities of the Serb-Croat-Slovene Kingdom.

The Latvian government proposes the construction of roads and bridges which would aid the economic development of the country, even though mainly national in character.

The Greek government projects consist of water works to improve the water supply and the irrigation of the plains of Salonika and Serres.

The Polish Government projects include a drainage and water supply system in Upper Silesia; reconstruction of the former Royal Canal; and provision of a drinking water supply for the cities of Lodz, Lowicz, Kreszow and Lomza.

The information as to the exact cost of these projects and the amount of work provided by them has not yet been made available in this country. In any case, final acceptance of them waits upon decision by the Council of the League of Nations early in May.

A CREDIT PROBLEM

The significance of these works in the scheme of economic recovery lies in the question of financing which the Council of the League is taking up at this moment. The countries proposing these public works have no funds with which to carry them out alone. They think they can do so, however, on a coöperative basis, and are exploring ways and means of organizing their credit powers for the purpose. The credit schemes proposed are likely to take one of three forms: (1) direct loans from the states to the private construction companies; (2) direct loans from one state to another in whose territory the works are to be carried out; or (3) contributions from lending states to a committee or to a central or international bank, which will in turn finance the works by loans to the states or to the contractors.

The third plan offers a strictly international solution, and plans are being agitated for the creation of such a bank or committee to handle the financing of these public works on an international scale. The first of the choices is, in the present economic situation, wholly impractical, as the states which are in need of public works or which propose these plans have no funds of their own with which to finance them. The second solution appeals only to countries which have easily available surplus funds—of which France is about the only one in Europe at the moment. As a plan, it is weak in the fact that it depends upon the financial strength of a single country, and is therefore likely to lead to undesirable political connections. The third plan, on the other hand, pools the

credit strength of a large number of countries, and promotes at the same time a desirable and healthful sort of international relationship.

The most that can be said for all this endeavor, at the moment, is that we have here the barest elements of a new system of international credits. Even so, the precedents for organizing such an international loan for public works purposes are to be found in the earlier action of the League in sustaining the finances of Austria by collective and mutual guarantee of the members of the League of Nations. From a larger social point of view, the promotion of the scheme, as the Director of the International Labor Office states, has "the inherent virtue of being a means to international coöperation" of a very practical character.

Mr. Leifur Magnusson has been the American representative of the International Labor Office of the League of Nations since 1924. He was editor of the English edition of the Proceedings of the First International Labor Conference, 1919, and of the "International Labour Review," 1921-1923. He is a lecturer and a contributor to magazines, and is author of "Housing by Employers in the United States" and "Historical Survey of International Action Affecting Labor."

Expansion of Public Works for Preservation of Prosperity

By HAROLD S. BUTTENHEIM

BEFORE this depression descended upon us, or we descended into it, whichever it may be, I was one of the small group of orthodox thinkers along the lines of long-range planning of public works, who believed not only that public works ought to be expanded in times of depression, but also that they ought to be reduced in times of prosperity.

I am coming recently to associate myself more with the ideas of Dr. William T. Foster, Dr. Virgil Jordan, and Mr. David Cushman Coyle. That is, I am coming to believe that instead of spending our surplus wealth to build up means of competitive manufacture which will increase the problem that we are facing, which will produce goods which there is no adequate method of consuming, we ought to use the power of taxation to a very considerable extent to promote and compel public or semipublic works. This can be done partly by levying a heavy surtax on high incomes, which may be canceled in a given case if the individual spends his money for certain approved works, such as the building of hospitals or libraries or college buildings, or the installation and equipment of parks, playgrounds, or other projects of that kind.

Also there ought to be a very considerable increase in public works expenditures for purposes such as these and the many other activities which this country needs—the abolishing of our grade crossings, the taking of the sewage out of our rivers, the improvement and beautification of the river banks, the paving of our many thou-

sands of miles of unpaved highways, the beautification of the roadsides, the elimination of the slums of our cities, and a very large number of other activities which could be conducted with this surplus wealth to the benefit, I believe, of the surplus wealth itself as well as of the community as a whole.

CITY WORKS ARE ESPECIALLY IMPORTANT

The cities can coöperate very greatly in that matter, and they ought to be given some compulsion to do so. I believe it would be advisable in every one of our states to adopt legislation which would require every municipality in the state to appoint a city planning commission if it does not already have one; which would require that commission to arrange a budgeted method of planning for five or six years ahead for public improvements in the approximate order of their urgency; and which would provide for carrying out those improvements. The municipalities would be expected to carry out those improvements from year to year, though of course they could not be compelled to do so.

My belief is that if we would use these methods, we probably should never have another depression such as we are experiencing. But if the statistics, which ought to be kept much more carefully by the Federal Government, were to show an abnormal increase in unemployment at any time, then let the Federal Government come to the aid of the situation, not only by speeding up its own public works activities, but also by making large

sums of money available to the states and the municipalities at a very low rate of interest, say 2 per cent, as an inducement to them to carry out in a period of one year the plans say for the next two years, as far as that would be feasible. The inducement of the loan of this money at a low rate of interest would probably be the means of having a very large number of the cities carry out that activity.

Of course, the Federal Government has no control over the spending of municipal funds, and it ought not to have; but it can act in a great many ways as a stimulus to such spending. I

believe that the combination of these ideas would make the long-range planning of public works much more practical. In other words, I am still absolutely a believer in long-range planning of public works. They ought to be speeded up greatly if there is any depression threatened. But I think they ought also to be speeded up to a considerable extent from year to year as we learn how to produce better, as we learn how to distribute better, as we have a greater surplus; and we ought to look toward a steadily mounting expenditure for public works in good times as well as in bad.

Mr. Harold S. Battenheim is editor of "The American City"; organizer and president of the American City Bureau for promoting efficiency of commercial, civic, and welfare organizations; and a member of the board of directors of the National Municipal League, National Council on City Planning, and National Child Welfare Association.

The Mountain and the Valley

A Few Notes on Economic Planning

By FRANK G. DICKINSON

A CHART of the series of the alternating periods of prosperity and depression that have swept over this Nation since its beginning resembles the contour of a mountainous region; there are the high peaks and the higher peaks, the deep and the shallow, the broad and the narrow valleys; occasionally a plateau appears. Although there is a general rise or fall in one direction, the slope is never even; there are usually some ascents that one must make while descending a mountain; likewise, one enjoys a few intervals of coasting (or free wheeling) while driving up to the peak. The high ground at the end of the valley suggests the prosperity of some few businesses during a general depression; likewise, all industries are not prosperous during a prosperity era.

Leaving the landscape comparison and examining the curve of employment, we find that even in prosperity there are some persons unemployed. The unemployed, like the poor, we have with us always. Probably the annual level of employment never falls below 65 per cent of maximum full-time work. By maximum or 100 per cent employment, I do not mean 24 hours per day, 365 days per year; due allowance must be made for the customary number of hours per week and for the periods of the year when Nature prohibits useful labor. Probably the least unemployment at the very peak of prosperity is 4 per cent (or 96 per cent employment).

Our composite picture would show that the utilization of our Nation's labor power ranges from an average of

approximately 80 per cent to a minimum of 64 per cent ($- \frac{1}{5}$ or $- 16$) and a maximum of 96 per cent ($+ \frac{1}{5}$ or $+ 16$). To chart-conscious citizens, the substitution of a normal of 80 for the customary 100 may seem unjustified; yet the "ceiling of the business cycle" is about 96 and the "floor of the business cycle" is about 64 expressed as percentages of the full utilization of our labor power. *We never attain 100 per cent employment* (Chart 1).

TWO PRICE TYPES OF DEPRESSIONS

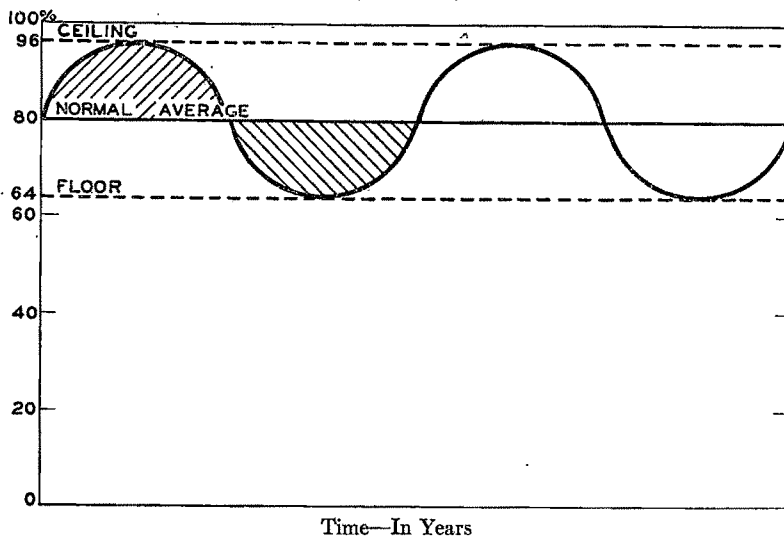
There are two price types of depressions, in which the actual decline from the normal may be large or small. Some depressions have occurred during a quarter century of rising prices; these recessions in business activity are usually short-lived; e.g., 1903, 1908, and 1914. The general movement of wholesale prices in the United States was upward from 1790 to 1815, downward from 1815 to 1849, rising again from 1849 to 1873, declining from 1873 to 1896, upward from 1896 to 1920, and downward since. If the present recession period of prices is as long as its antecedents, the level of wholesale prices should continue to fall, although irregularly, for the next 10 to 15 years. The reasons for these 25-30 year price waves have puzzled those who have studied them with the most persistence.¹

These long wave movements of the level of prices form a setting for each

¹ Possibly the best studies have been made by two Continental economists—Van Gelderen and DeWolf.

CHART 1—THE FLOOR AND CEILING OF THE BUSINESS CYCLE

100% Utilization (Perfection) of Labor Power



particular cycle. Those depressions that occur during a gradually rising price period are usually of short duration and are followed by rapid increases in production and trade. Rising prices usually speed up the march of commerce and the ship of business sails merrily on.

Contrariwise, such depressions as the present, during a price decline period which began in 1920, are followed by a smaller increase in the tempo of industrial activity and by a slowly falling price level—the deadliest enemy of business enterprise. When such depressions are ended, the succeeding period of prosperity is rarely of the frenzied variety. Most incomes are reduced (in terms of dollars) below the *pre-depression* level. In this type of depression, attempts to maintain wage and salary scales only serve to prolong the depression. (In the rising price type of depression, such a policy might be of considerable assistance.)

Industrial progress marches on, but at half step; it does not reach the levels that the previous average rate of

growth indicated that it should have attained. Some writers refer to this succeeding cycle as a submerged cycle.

THE MEANING OF BUSINESS STABILIZATION

Referring again to the mountainous country, every one knows that the only way to fill the valley is to cut the peak off the mountain. It seems to me that the *only* way to fill the "Valley of Depression" is to cut the "Peak off the Mountain of Frenzied Prosperity" and push it into the valleys that lie in front of and behind the mountain. This means taking jobs out of fat years, thereby making those years less fat, and transferring these jobs to the lean years. If you will, we must rob Peter to pay Paul, chronologically speaking.

Many people with whom I discuss these questions are surprised by this particular application of the old adage—"You cannot have your cake and eat it." We must pay a price for business stabilization, and that price is the

elimination of periods of frenzied prosperity.

All economic reforms have exacted a price from contemporary civilization; the industrial revolution between 1760 and 1830 brought misery to the weakest economic classes; the technological advance of the recent postwar decade caused many displacements of workers. If this country wishes to prevent future industrial depressions, it must pay the price; it must cut off the mountain peak.

To those who think of business stabilization as the perpetuation of the peak of frenzied prosperity (e.g. 1920 or 1928), this fundamental idea will be a distinct shock; perhaps they will lose their enthusiasm for economic planning and other measures designed to prevent future periods of widespread unemployment. If we must sacrifice frenzied prosperity upon this altar of stabilization, many will question whether it is worth the price. Some may find comfort and solace from the bitterness of 1930 and 1931 in the knowledge that such suffering is necessary in order to enjoy the fruits of extreme prosperity. I do not believe that any progress toward stabilization can be made until business leaders and voters realize that a program of economic planning must operate *sans* extreme prosperity.

What will the people of this country gain? A steady, average, uninterrupted level of business and trade activity will mean more rapid economic progress; the depressions will not be so deep nor the peaks so high; the industrial juggernaut can travel faster on a steady grade, smoothed by cuts and fills.

The greatest gain, perhaps, will be in raising the *average* utilization of labor power from 80 per cent to 82 per cent, then 85 per cent, and in the far distant future when the technique of economic planning has been perfected, to the

high level of 90 per cent. As this figure for average utilization rises towards complete utilization, the amplitude of the fluctuations will be lessened, this being both cause and effect; also, secular trend or rate of growth will increase and the Nation will progress much more rapidly. The annual increase in total production is now between 3 and 4 per cent, according to Carl Snyder. Perhaps this rate of annual growth might be raised to 5 or even to 6 per cent (see Chart 2).²

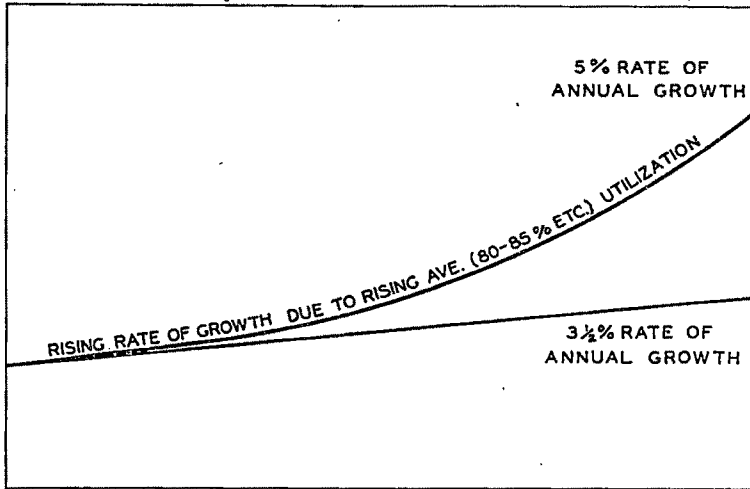
Another important result will be a more equitable distribution of wealth. There is reason to believe that the greatest cause of undue concentration of wealth in the hands of a relatively small proportion of the population is these ever recurring "bull" (and "bear") markets, where the daily additions to great fortunes sometimes exceed one million dollars. Those who bewail the present concentration of wealth can best serve their cause by helping to prevent the future periods of frenzied prosperity. In fact, there is evidence that a constructive economic plan for stabilization will be opposed by the wealthiest class, because its members profit most from the boom periods.

HOW CUT OFF THE PEAK OF FRENZIED PROSPERITY?

The most popular device for stabilization is the control of credit by raising or lowering the discount rate of the central bank. This device did not prevent the undue, rapid expansion of credit in 1928. If we grant that political persuasion prevented the Federal Reserve system from putting the screws on the wild stock market speculation, the question still remains—Could the

² These charts present a smoothed curve in order to illustrate this idea of stabilization as clearly as possible.

CHART 2—PROBABLE EFFECTS OF BUSINESS STABILIZATION
Increasing Rate of Annual Growth, for Example ($3\frac{1}{2}$ to 5%), Due to Rising
Average (80 to 85%, Etc.) Utilization of the Nation's Labor Power



Time—In Years

central banking system have applied the pressure without hurting healthy business more than it curbed speculation?

Side by side with these credit control advocates, we find the stable money theorists whose plans range from bimetallism to schemes of controlled inflation³ and deflation. With their ideals I agree and with their methods I sympathize; but I regard their methods as *inadequate* and incapable of accomplishing the desired end. We need to use *all* the means available.

TIMED PUBLIC WORKS

Timed public works seem to offer the best additional means of stabilizing the

³ Prof. W. I. King suggested to me in a recent letter that Congress might authorize the issue of several billions of greenbacks to be used for the purchase of outstanding Government bonds. No additional taxation would be necessary to redeem these additional greenbacks, as the redemption of the greenback would involve only the fund for paying off the bonds. Virtually it means putting greenbacks into circulation instead of Government bonds; it could be called the conversion of secondary cash reserve into cash.

general course of industry and trade; the idea rests upon the assumption that the *only* remedy for unemployment is employment. By concentrating the major volume of public construction in the years that would have been lean otherwise, the "Valley of Depression" can be filled; and, what is far more important, the "Peak" can be cut off the "Mountain of Frenzied Prosperity" by performing very little public construction during periods of prosperity.

Timed public works, therefore, qualify as a two-edged sword in this battle with the extreme fluctuations in trade and industry. The Federal Government, since the World War, has used only the edge designed to lessen joblessness during depressions, and has permitted the other edge to become rusty from disuse.

There can be no question of President Hoover's intention to use both edges of the sword. His remarks and orders as Secretary of Commerce clearly show that he appreciated the necessity of "cutting off the mountain peak" by

severely curtailing expansion in 1927. By the time he took the oath of office the damage had already been done; the juggernaut of prosperity was going pell-mell towards the cliff at an unstoppable speed, and it toppled over seven months later, in October 1929. Herbert Hoover never had a chance to prevent the inevitable economic debacle.

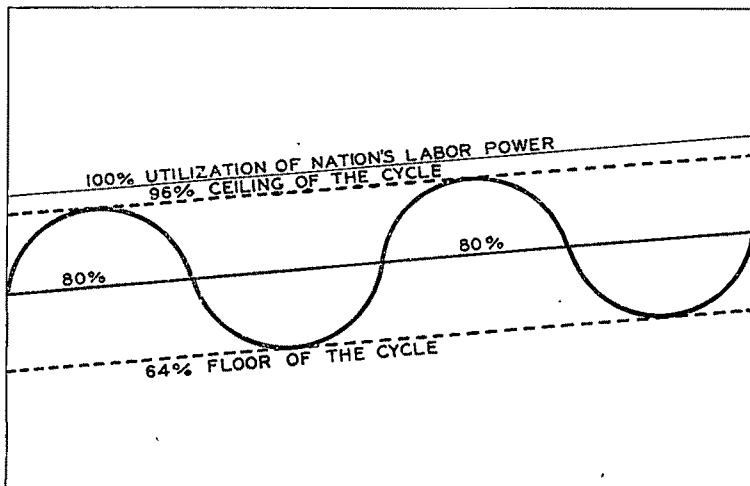
Virtually timed public works means unstabilizing one industry—public construction—in order to attain a fairly stable average of employment for all workers generally. This would inconvenience the public, because much construction would be postponed; but this grievance would be mitigated by the joy of seeing some hard roads, drainage and irrigation systems, post offices, and so forth, built several years ahead of schedule. The idea does not contemplate increasing the volume of public works during a decade; rather it means a chronological redistribution, with the valley coming when other employments are needing men, and the peak appearing when other employments are decreasing.

I am convinced, however, that pri-

vate industrial demand, unaided by any government construction activities whatsoever, would slowly develop boom periods; but they would be of much smaller proportions. Much would depend upon restricting credit before a minor boom developed into a major boom. These small boom periods would be the means by which stabilization would increase the average utilization from 80 to 82 to 85 per cent.

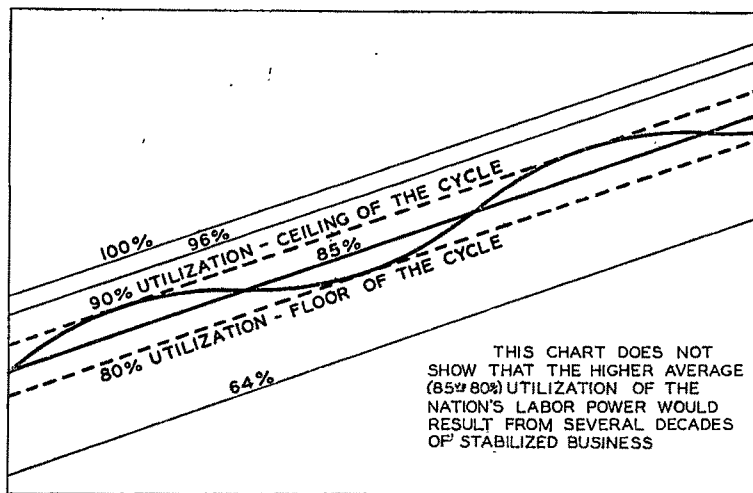
The average utilization of all the Nation's power would probably not rise above 80 per cent for at least a decade (Chart 3); but the limits would be closer to the average—say 68 per cent instead of 64 per cent, and 92 per cent instead of 96 per cent. After a few decades the average would rise to 82, perhaps 85 per cent; then the prosperity limit would remain about 90 per cent, while the depression limit would rise to about 80 per cent (Chart 4). These figures illustrate the advantages of stabilization and the elimination of the tremendous waste of idle man power. Our goal is 100 per cent utilization; for if every family works, every family can consume. This

CHART 3—THE FLOOR AND CEILING OF THE BUSINESS CYCLE
(Showing Growth)



Time—In Years

CHART 4—PROBABLE EFFECTS OF BUSINESS STABILIZATION
 Raised Average (80 vs. 85%) Utilization of Nation's Labor Power and
 the Raised Floor and Lowered Ceiling of the Business Cycle



Time—In Years

goal can be reached sooner by eliminating the extremes of prosperity and depression than by continuing the present oscillating, unplanned economic maelstrom.

UNEMPLOYMENT INSURANCE VERSUS EMPLOYMENT

Brevity forbids renewing my controversy with other students who favor Government unemployment insurance as the major device for relieving the strain of joblessness. It seems to me that the *only* remedy for unemployment is employment, and not income from a reserve fund. Timed public works will give employment rather than income from a fund or a reserve. Professor Willford I. King suggests that the unemployment insurance schemes might be improved by recruiting the entire reserve fund from penalties imposed upon employers for not maintaining a stable working force; no contribution would be made by the worker or the Government, and the reserve fund might be expended entirely for public works during depres-

sions, thereby enabling the worker to earn wages rather than receive a benefit, or a "dole."

One difficulty that would be encountered by unemployment insurance schemes is well illustrated by the recent attempts of many large corporations to pay unearned dividends during the past year. The liquidation of enormous blocks of bonds and stocks to obtain the necessary cash resulted in a further decline in the market values of securities, thereby giving the stockholder some cash but reducing the value of his other holdings—a method of getting cash that the individual might have pursued with the same results. The only remedy for unearned or omitted dividends during a general depression is operating profits, and the only remedy for unemployment is employment; in neither case is the remedy payments from a reserve fund.

STABILIZATION IS POSSIBLE OF ACCOMPLISHMENT

Nor do I wish to introduce the question of the adequacy of the volume of

public works to perform this function. I have tried to prove elsewhere⁴ that the volume of public works is large enough to furnish a wage fund equal to the decline in factory wages, which is the only employment classification for which we have good data, it being also the most variable of employments; and that the savings in construction and financing cost will be negligible and the problem of forecasting will be insignificant if we do not start expanding construction until after the depression sets in, thereby not preventing the first winter of unemployment but eliminating a possible second or third winter of unemployment.

My variation of $\frac{1}{5}$ from normal (64%-80%-96%) is greater than the figure used by most students, several of whom state that the maximum fluctuations above and below normal are not greater than $\frac{1}{10}$. Whatever the correct figure may be for all incomes,

⁴ My statistics and conclusions have been discussed both pro and con by Paul Douglas, Otto T. Mallery, Leo Wolman, and Vernon Mund. See *Annals of the American Academy of Political and Social Science*, September 1928 Supplement; *Proceedings of Forty-second Annual Meeting of the American Economic Association*, March 1930 Supplement, pp. 24-26; *Labor Legislation Review*, March 1929, pp. 89-94.

industries, and trades, one thing is certain; the task of removing the peaks and the valleys is not so difficult as usually thought,⁵ because the fluctuations from normal move in a rather narrow groove.

In closing, allow me to defend our capitalistic system. The lowest grade or mark it has received is about 64 per cent, its average rating is 80 per cent, and occasionally it reaches 96 per cent of perfection. In criticizing our system, some attention ought to be given to the altitude of the "Floor of the Valley of Depression" above sea level, instead of always comparing its depth with the height of the mountain.

I firmly believe that these ever recurring periods of frenzied prosperity and bitter depression can be modified, if not prevented, if our citizens are willing to pay the price. And that price is the elimination of periods of extreme prosperity.

Citizens, our problem is the mountain.

⁵ Mr. Vernon Mund has developed an interesting feature of timed public works, especially as to the velocity of the construction dollar and its multiple effect in creating new purchasing power. *The Annals of the American Academy of Political and Social Science*, May 1930, Pt. II.

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Notes on the Renewal of America

By GLENN FRANK

UNLESS I misread the signs of the time, we are moving into a phase of reaction against our virgin enthusiasm for social and economic planning which arose quickly when the psychology of the Russian five-year plan burst upon a disillusioned and planless people. The critics who are leading the beginnings of such a reaction are beginning to insist that planning and freedom are incompatible. They contend that planning, if it is to be more than the outpourings of literary soothsayers, requires dictatorship. They say that we cannot preserve the individualism we have so highly prized in the past if we begin to flirt with the false gods of central planning.

As in the case of most virgin enthusiasms and the first reactions against them, words have been used very loosely, both in our pro-planning and our anti-planning discussions. I suggest that before we make up our minds or take definite action regarding political, social, or economic planning, we first carefully consider what we really mean, as Americans, by liberty and freedom and individualism. There is no point in clinging to the shadow when the substance has gone from such conceptions. Just what sort of freedom do we want in the United States? Freedom to run twentieth century business by eighteenth century business policies? Freedom to follow wage and price policies that stop, rather than stimulate, business? Freedom to overbuild plants and unduly increase productive facilities so that a glutted market inevitably follows? Do we want individualism of industrial policy that throws the industrial worker out

of work? I think not. As I have said many times, and as I shall say again here, individualism is important only in terms of what it does to and for individuals. The fruits of freedom are the only justification for the fact of freedom. If a planned economy protects and promotes the interests of the individual better than a freer economy, then there is more authentic freedom in a planned than in a planless economy. If a planned economy protects the individual, it is obviously preferable to a planless economy that contents itself with praising the individual.

THE LEADERS AND THE LED

But I am not to speak in this paper specifically and directly to the subject of planning. I shall speak rather of certain things that lie back of planning—certain things without which planning is bound to be abortive. I shall speak primarily about the problem of leadership and the problem of followership in the present phase of American life.

This is a time when the United States is in the grip of economic depression, political distraction, and social dishevelment, at once profound and paralyzing. We know that no malign plague has been sent by the gods to work this triple disruption of our national life. We shall find its cause, I think, in ourselves. Our leaders have failed us, we have failed our leaders, or both have blundered in the enterprise of social management. I want, therefore, in the light of the current national situation, to examine the existing status of both the leaders

and the led in contemporary affairs. I should like to use as a point of departure, two texts that speak pointedly of leadership and of followership; one from the Old Testament, the other from the New. The Old Testament text is from the Book of Isaiah, and says: "For the leaders of this people cause them to err; and they that are led by them are destroyed." The New Testament text is from the Book of Matthew, and says: "Let them alone: they be blind leaders of the blind. And if the blind lead the blind, both shall fall into the ditch."

Because of the peculiar posture of American affairs just now, the two fields in which we are likely to suffer most, secure most, or serve most, as a result of the way the arts of leadership and of followership are practiced, are business and politics.

INADEQUATE POSTWAR LEADERSHIP

First, let me speak to the problem of leadership and followership in general. In the years immediately following the war, the Western nations displayed a disunity, a headlessness, a cynical distrust of the possibility of planned progress, and a widespread social irresponsibility that led many competent observers to doubt that the postwar period would either raise up or respond to a farsighted and fearless leadership either in matters political or in matters economic.

In the United States this general *malaise* of the Western spirit was for a time offset by the false tonic of an almost fanatic economic optimism. For the better part of a decade that ended with the Black October of 1929, we drank the heady wine of high profits. We went in for planless expansion and paranoiac speculation. We babbled lyrically of a New Era, which we now realize was so old in character that we should not have

called it new, and to our regret, so short in duration that we had no right to call it an era. But we babbled of this New Era in which—so the man in the street was led to believe—depression was impossible and prosperity inevitable.

We romanticized our economics. But, as always, reality took its revenge on the romancers. The chill, the shadow, the arrest of a disastrous market debacle fell upon us, and we entered a phase of economic depression that expressed and still expresses itself in a marked retardation of business and industrial enterprise, a widespread disturbance of mass confidence in current leadership, and a vast social unsettlement in which hungry men look on while food surpluses burst the walls of warehouses.

This depression has been caused not by our failure to master want, but by our failure in managing plenty. We have plenty of money. We have plenty of food. We have plenty of clothing. We have plenty of coal. We have plenty of shoes. And yet we have just emerged from a winter in which men went hungry, ragged, shoeless, and shivering. We are a nation of Midases. We turn to gold everything we touch, and then starve in the presence of its glitter. We know how to make things. We do not know how to manage a civilization—yet. We search eagerly for a shortage to explain the depression through which we are passing. But there is no shortage of any of the more obvious things men need. If the books were closed now we should go down in history as a people strangled by its own success.

If we are really in earnest about finding the cause of the depression we must look elsewhere than in the reports of the certified accountants, for there is a shortage that does not appear in the audits of our industry. The fam-

ine from which we are suffering is a famine of leadership. A strange palsy seems to have come upon leadership, pretty generally throughout the Western world; and, in consequence, the peoples of the Western nations are wandering aimlessly, like sheep without a shepherd.

In the decade before the market crash, we Americans in particular were victimized by leaders who failed to lead. I say this not in any carping critical sense, but because to me it is incredible that the directing intelligence of the political and economic life of the United States did not sense in advance the onset of the forces of economic disruption. And yet, only an occasional unheeded voice was raised in warning. The political and economic leadership of the Nation, by and large, was speaking with unrestrained optimism within forty-eight hours of the market crash which, suddenly, as a flash of lightning illumines a landscape, revealed to the rank and file of Americans the essential instability of the economic situation into which an inadequate leadership had allowed us to drift, if, indeed, it did not lead us into it.

We have muddled through before. I doubt that we shall muddle through this time. I think we shall get through, but not by the muddling process, because the processes and the relationships of business and government have become too technical, too sensitive, too interdependent for management by muddlers. The simple society of our fathers could survive a mediocre or temporizing leadership. This complicated society of 1932 cannot.

We shall hear much about paramount issues in the months just ahead of us. But in business and in politics alike, there is only one paramount issue before the American people now, and

that is the finding and the following of leaders blessed with an unprecedented clarity of insight and an uncompromising courage of action. And events will not wait long for the rise of this new leadership.

BANKRUPTCY OF FOLLOWERSHIP

I think I speak advisedly when I emphasize the following as well as the finding of leadership adequate to resolve the dilemmas that today distract American business and American politics, because we are suffering from a bankruptcy of followership no less than from a bankruptcy of leadership.

I am not at all sure that as a people we are yet equal to the challenge of an authentically great leadership. We resent the man who demands that we surrender the innumerable political and economic shibboleths we have substituted for thought. We cling with a kind of desperate devotion to obsolete political loyalties and traditional economic dogmas. We do not know how to discuss a depression or conduct a campaign save with the magic of dead words. But sooner or later, fast-moving events will force us to see that even the greatest leadership, if we were lucky enough to find it, would prove powerless unless we as a people proved big enough to follow it. We are prone to spend half our time crying for great leadership, and the other half crucifying great leaders when we are lucky enough to get them.

There is, I repeat, a bankruptcy of followership that is quite as serious as the bankruptcy of leadership that has landed us in the current economic depression and political distraction. Let me try to define this bankruptcy of followership, first, in politics, and second, in business.

In American politics, this bankruptcy of followership expresses itself in the increasing tendency of voting

Americans to select leaders who will follow them instead of leaders who will lead them; leaders who will think like them, instead of leaders who might, in a pinch, think for them. When democracy makes, as American democracy tends to make, subserviency of spirit a bigger political asset than superiority of mind, leadership lurks in the wings and rarely reaches the center of the stage, save in those rare moments when God lends one of his prophets to politics to dominate a party by sheer force of mind and personality, or when, in such obvious and overpowering crises as war, the masses of men adjourn temporarily the motives of feeling and the methods of thinking that normally move them.

In American business, this bankruptcy of followership is revealed in the wide divergence between the economic outlook of the really *big* business man and the vast majority of smaller business men. I think I could select a dozen American business men who, acting as an economic directorate of American business, could, if the business world as a whole would follow them, rectify and regularize our economic life with decent promptness and again set the feet of this Nation on the road to a widely distributed and stabilized prosperity. But if these dozen men I have in mind—and they are men whose personal business achievements are known from coast to coast—should say publicly what I have heard them say privately about the direction in which our economic and international policies must inevitably move if our industrial system is to endure, these twelve really *big* business men would be set down by the overwhelming majority of smaller American business men as dangerous radicals. No one knows how much of really great economic statesmanship is today being held in leash because it is

convinced it could not swing the majority of American business men with it.

AN APPOINTMENT WITH DESTINY

Sooner or later, in the life of every people, a time comes when the future of its social order hinges upon the mood and the major decisions of some group or groups whose hands happen to be at the moment on the levers of power. At one time it is the kings; at another the nobles; at another the clergy; at still another, the theretofore disfranchised millions. At every historic turn in the road some significant leadership has had an appointment with destiny. And life has been made or marred for the inarticulate millions by the way this leadership has met or missed its appointment.

Today, the business leadership and the political leadership of the United States have a joint appointment with destiny, and this appointment must be jointly met. We cannot afford the dangerous luxury of a political leadership pulling in one direction and an economic leadership pulling in another. Unless the political order and the economic order are animated by a common purpose, the social order will be disheveled and insecure, and the people readily seduced by the improvised appeals of an irresponsible leadership. And, happily, events are conspiring, I think, to make possible a unity of purpose between the political and economic leaderships of American life, because it is becoming increasingly evident that socially sound politics and permanently successful business alike depend upon the stabilization of prosperity and the guarantee of security, leisure, and self-respect for the millions.

CHALLENGE TO BUSINESS LEADERSHIP

I want, now, to speak of the major problem that the current depression

puts to business leadership. It is not a simple sickness that has fallen upon us, and it will not yield to any simple and single remedy. A lush variety of causes lies at the root of our economic situation—political unrest the world around, mounting armaments, speculative mania, abortive governmental attempts to stabilize certain commodity prices, the fall in the price of silver, unwise expansions overreaching immediate markets, and so on, to the end of the list I need not rehearse.

Even a superficial diagnosis of this depression compels us to consider not only the obvious issues of wages, hours, prices, technology, and management, but also the deeper issues of security, leisure, and self-respect for the men and women who toil, as well as the broad issues of foreign trade, tariffs, the management of the world supply of natural resources, the direct impact of war debt payments in Europe and their indirect impact upon the United States, the economic implications of the undue amount of the world's gold supply that has gravitated into American and French hands, and the competition that an energetically planned communism in Russia might ultimately give to an essentially planless capitalism in America.

To all these issues and more, we must bring a farsighted and fearless statesmanship before we can expect the Banquo's ghost of depression to absent itself permanently from the economic table, or even to schedule its appearances at more decently long intervals. I cannot here so much as define this medley of issues that confronts us as a people. I list them simply for self-protection, so that in what I am about to say, you will not accuse me of having joined the simplifiers who offer this or that pink pill for pale business, guaranteed to cure all our economic ills in thirty days or money refunded.

DISTRIBUTION OF BUYING POWER

It has been dinned into our ears daily by both the editorial and the advertising pages of the press that American business and industry are the victims of frozen buying power, that fear has frozen the will to buy, and that if every American who could buy would buy, economic recovery would be just around the corner. With this contention I am to a very material extent in agreement, but the nation's frozen buying power is due to something deeper than the fact that the scared masses are hoarding their slender savings in socks or hiding them behind a loose brick in the chimney. There is, of course, a good deal of this sort of hoarding; but the frozen buying power that is bringing a creeping paralysis upon our whole industrial system is something quite apart from this hesitant buying of scared customers.

In the Fall of 1929, when American business and industry slowed down and found themselves with excess products and excess productive capacity on hand, it was not because there was a lack of *buying power* in the country but only because there was a lack of *buying*. There was ample buying power in the United States to absorb every existing excess of products and to call for still greater production. Why, then, was not this inactive surplus of buying power brought into play? Why did it not flood the country with a consumer demand that would have stopped the on-coming depression in its tracks? It seems to me that at least the beginning of an answer to that question is clear.

When American business and industry slowed down in the Fall of 1929, an undue proportion of the nation's inactive surplus of buying power was in the hands of a minority who, for

personal and family consumption, neither needed nor desired to buy more, while the vast majority of American consumers who, for personal and family consumption, both needed and desired to buy more, had little surplus buying power on hand. The minority was investing too much in the means of production; the majority was investing too little in products. The result was inevitable: our business and industrial system back-fired, and we found ourselves in the unhappy position of producing too much and purchasing too little. And we shall not, in my judgment, achieve permanent or even relative immunity from the sort of depression through which we are now passing until the leadership of American business and industry devises workable and businesslike ways of shifting a larger share of the national income into the pockets of the consuming millions, and of markedly increasing the market of leisure for these millions.

CHANGED VIEWPOINT OF BUSINESS LEADERS

Even a decade ago, this statement would have been set down as the disgruntled ravings of a disinherited radical; but the experience of the last three years has taught many Americans many things. I have made this statement repeatedly before significant assemblies of business, industrial, and financial leaders during the last two years. There has come to my desk a veritable flood of letters from outstanding bankers, business men, and industrialists of this country, reflecting an almost sensational unanimity of agreement with this contention.

What has happened that a contention, considered dangerously radical even a decade ago, is today hailed as the soundest of sound business policy? It surely is not that the business man has turned Bolshevik.

No! It is simply that it has become so plain that he who runs may read that our industrial system will inevitably collapse unless, along with its prolific production of goods and services, it sees to it that the consuming millions have money with which to buy and leisure in which to enjoy the products our magnificent machine economy is geared to produce.

But how shall America effect this shifting of a larger share of the national income into the pockets of the consuming millions? How shall America markedly increase the margin of leisure for these millions? A dozen governmental devices will suggest themselves to the conventional political mind. But I do not believe that America either wants or needs revolutionary politics to achieve these ends. I believe that a statesmanlike administration of wages, hours, and prices by the leadership of American business and industry, if this leadership will but think socially and act nationally, can go far towards achieving these ends and creating on this continent a prosperous and happy people immune to the infections of a reckless radicalism.

This is the appointment with destiny that now faces the business and industrial leadership of America. If it keeps this appointment and deliberately sets out to create prosperous consumers as well as consumable goods, the leadership of American business and industry will discover that it has not only rendered a historic social ministry but that it has also made solid the now shaky foundation of our industrial system.

CHALLENGE TO POLITICAL LEADERSHIP

I have just attempted to indicate the challenge that the current economic situation seems to me to fling to the economic leadership of the United States. I want now to speak

briefly of what it seems to me the current situation implies for political leadership. I venture comments that seem to me pertinent:

First, we must find and follow a political leadership that will not permit emotionalized issues to sidetrack our immediately urgent economic issues. Prohibition is a case in point. We must be willing to follow a political leadership that will help us to realize that the problem of prohibition has now gone beyond the traditional slogans and tricky strategies alike of the Wets and the Drys. Here is an issue that we dare not, as a people, leave longer to a mere duel between competing fanaticisms; because as long as this problem is left to a warfare between the extreme Wets and the extreme Drys, prohibition will continue to be what it has been—the smoke screen behind which timid politicians may hide their reluctance to deal realistically and courageously with those basic economic issues upon which the future of our industrial order depends. The problem has become more than just a question of liquor or no liquor. It is nothing less than the problem of the moral sanitation of our national life and the clearing of the track for national concentration on critical economic issues.

In the face of gang-ruled cities and a national orgy of dishonesty and evasion in which even the most respectable tend to share, it behooves us to do something other than huddle defensively about the simple catchwords coined in the early battles between the Wets and the Drys. Until we broaden this issue and deal with its wider aspects, prohibition will continue to make American politics a high carnival of hypocrisy. We must be willing, as a people, to follow the policy that will make for the moral stabilization of American life and will clear the

stage for economic considerations, whether the policy fits all of our Wet or Dry preconceptions or not. Just as Abraham Lincoln took the issue of slavery out of the hands of competing fanaticisms by emphasizing the need of national union rather than debating the pros and cons of slavery, so the Nation today waits for a leadership that will rescue prohibition from competing fanaticisms by emphasizing the need for the moral sanitation of American life and for concentration on economic issues, rather than indulging in a mere re-shouting of the war cries of the Wets and the Drys.

This issue of prohibition will test, as few issues will test, the political honesty of the leaderships of both the Republican and Democratic Parties as they meet in convention this year. Each party protests that it wants to see prohibition taken out of politics, so that national attention can be brought to focus upon the crucial economic issues in which the stability of the American future is involved.

FAILURE OF PROHIBITION

I submit that there is only one way in which prohibition can be taken out of politics and the track cleared for national concentration upon these crucial economic issues, and that is for the leaderships of the two major parties to be courageous enough to admit in their platforms that the Eighteenth Amendment to the Constitution has signally failed to reach, and shows no signs of reaching in the future, the moral objectives towards which it was pointed.

A while ago I revisited a little Missouri village I knew in my boyhood, and contrasting my memory of it as a boy with my vision of it in 1932, I was impressed by the fact that the village drunkard had disappeared but that the drinking village had taken his place.

And this, I submit, is a picture in miniature of the American Nation. Whether we like to admit it or not, we have nation-wide nullification of our prohibition legislation. Of course, we can self-righteously assert that as a people we are free from the charge of taking blood money from taxes on the liquor traffic, save as now and then we snare a bootlegger. But what is the alternative? I submit that the Eighteenth Amendment to the Constitution has today become the Magna Charta of the underworld.

If prohibition drastically reduced drinking, if it protected youth, if it advanced temperance among all classes, if it made for increasing law and order, every self-respecting American would have to be behind it. The brutal truth is that it does not. And to say this does not lessen the eager desire of those who say it to see the alleged objectives of prohibition reached. Can it be assumed that Nicholas Murray Butler of Columbia and John Grier Hibben of Princeton are out to plunge this Nation into an orgy of drunkenness? Obviously not.

To me it is incredible that the intelligence of America cannot devise a more workable plan for the control and restriction of drinking—a plan that will hamper rather than help the underworld, a plan that will save America from its present character-destroying orgy of insincerity and evasion, a plan that will actually promote instead of imperil temperance, a plan that will relieve rather than aggravate Federal finances. Surely America is not so bankrupt of leadership but that there are men in both the Republican and Democratic Parties big enough and brainy enough to make convincingly clear to this Nation and to its people that their disillusionment with prohibition is not prompted by a desire to make the Nation wetter, but by a

desire to find and to put into operation a plan that will actually promote temperance, decency, and civilized order.

CHANGED NATIONAL POLICY NEEDED

Second, we must find and follow a political leadership that will help us to re-think some of our traditional conceptions of national policy. If national and world planning is to mean anything more than a mere pouring of old wine into new bottles, and wine that has lost its zest at that, we must emancipate ourselves from the stultifying servility to dead words and dying concepts that has come so near to paralyzing our political life and economic enterprise. Unless we change our national mind, as well as our national method, our crusades for social and economic planning may do little more than fasten more firmly upon this twentieth century world the nineteenth and eighteenth century policies that have already brought an unprecedented confusion and arrest upon our affairs.

Our concepts, political and economic, have not kept pace with the changes in the political, social, and economic processes they were designed to interpret and to govern, and the very solvency of our civilization depends upon their prompt and responsible reconsideration in terms of this new age of democracy, of science, of the machine, of our rapidly increasing productive capacity, and of world-wide interdependence. The old philosophies of laissez faire, of individualism, of competition, and of supply and demand, and our blind trust in the automatic adaptability of our economic system to changed and changing conditions are today frankly bankrupt. We do not want to fly from the manifest weaknesses or obsolescence of these concepts to the unwelcome tyrannies of the drab life and dicta-

torial leadership of communism. But if we are to cut the grounds from under irresponsible radicalism, we must boldly face the readjustment of our political and economic procedures to the actual life processes of this new age of science and the machine.

INDIVIDUALISM

Individualism, for instance, has been the glory of America over the generations; but, obviously, something has happened to individualism during the last few years. Individualism is important only in terms of what it does to and for the individual. There is nothing sacred in the mere word "individualism." If rugged individualism results in ragged individuals, it may be time to reconsider our concept of individualism. The fact is that the old and somewhat anarchic individualism, which was a superb virtue in our pioneer days, has become a vice in this complicated, technical, interdependent age. We may shout ourselves hoarse about American individualism in our political campaigns, but if vast masses of individuals, through no fault of their own, are ground between the millstones of maladjustment in an individualistic order, our individualism brings no healing to our hurts.

Our traditional doctrine of individualism has rested upon uncertain assumptions regarding our economic life that have resulted in the destruction of authentic individualism. Our individualism has, for instance, resulted in an utterly destructive notion of competition. There may have been a time when the encouragement and safeguarding of competition was essential as an offset to a blind and brutal process of monopolization. We are now in a phase of our national economic evolution, however, in which uncontrolled competition has played

havoc with the stability of our economic life. The anarchic competition that our traditional doctrine of individualism has fostered has at least five charges that can be lodged against it. First, it is largely responsible for the excessive productive capacity that is today stalling our economic machine. Second, it is largely responsible for the suicidal drop in commodity prices. Third, it is largely responsible for the shaky status of the savings of the American masses through its destructive impact upon investment securities. Fourth, it is largely responsible for the failure to reduce the hours of labor generally enough, or early enough, to forestall the onset of unmanageable surpluses and widespread unemployment. Fifth, it is largely responsible for the flood of shoddy goods from which hard pressed manufacturers have sought to snatch quick profits.

It is obvious that we cannot correct these bad by-products of competition in an age of high-powered machine production without throwing certain definite limitations about our traditional individualism. Let me suggest certain limitations that it seems to me the needed political leadership would suggest to us: First, we must limit our individualism to the extent of recognizing that competition may mean the death of trade rather than the life of trade, under present conditions of high productive possibilities. Second, we must limit our individualism to the extent of admitting that we can no longer afford to let every individual engage in any form of production and trade and on any scale at his own sweet will, if so doing will inevitably jam our economic machine. Third, we must limit our individualism to the extent of saying that we can no longer afford to leave the determination of hours of labor and length of working week to the unhampered will of the individual

concern if shortsighted industrial policy is to land us into the suicide of surplus production.

TARIFFS AND WORLD TRADE

Again, we need a political leadership that will help us to re-think our traditional tariff policies. When the history of this disheveled phase of the world's life is written, I suspect that among the traitors to Western civilization the makers of postwar tariffs will stand very high. If the record were not before us, we should think it incredible that intelligence could have abdicated so completely. The orgy of high-tariff making that has caught the world in its sweep in these postwar years has played no small part in the worldwide economic dislocation.

Let us contrast the obviously intelligent approach to tariff making with the record. Clearly, in this interdependent world, tariffs should be worked out in world terms. But what have we done throughout the Western world? We have determined our tariff policies in terms of shortsighted nationalisms alone. Tariffs should be as low as possible if world trade is to flow; but we are tending, throughout the Western world, to make tariffs incredibly high. Tariffs should be as nearly equal as possible if the economic relations of the world are to stay in anything like equilibrium. But throughout the Western world we have fig-sawed our tariffs into a bewildering inequality that has thrown the economic relations of the world so far out of balance that credit and finance seem powerless to readjust them. Tariffs should be dependable for definite if not for long periods; but throughout the Western world, in these postwar years, we have changed them so suddenly that world trade has vertigo from watching.

This tariff orgy has stopped imports

just when they have been most needed. Debtor countries throughout the West find themselves short of gold for exports, and the tariffs prevent payment in goods. Foreign lending has had a setback, and there is nothing in the cards to indicate that it will soon again get under way on anything like its old scale. The upshot of all this is that world-shaking changes in the balance of trade are taking place. Tariff idiocy means the utter loss of a large part of world trade as we have known it. Tariff intelligence could restore and retain for the Western nations most of the world trade as we have known it. Where is the political leadership that can shake us into awareness of the obvious, so that we will be sensible enough to stop making tariffs in these Western nations by the competing blackmail of special interests, and set seriously out, in concert with the rest of the world, to frame world tariff policies that shall be low, equable, and stable?

IMPLICATIONS OF TARIFF POLICIES

But the tariff makers may stay stupid. What then? The future developments are pretty clearly indicated. Every country will, sooner or later, decline to import anything it can possibly make at home; world trade will shrink to very small dimensions; America will be forced to pull into her own shell, abandon almost wholly her foreign investments, bid good-bye to her export trade, and go in for isolation in her trade as well as in her talk. It has been very easy to talk about splendid isolation as long as we were clipping coupons on an economic relationship that belied all such talk.

All this will mean that America will have to be satisfied with a far lower level of prosperity and a far lower living standard than she might otherwise achieve. And the same sort of thing

will happen abroad. England may still indulge in brotherly preferences when she trades with her self-governed dominions, but may have to throw higher and higher walls of protective exclusion about those parts of her Empire that are not self-governing, so she can exploit them more effectively. All the other nations will suffer if these two great English-speaking nations travel this suicide's road. And the little Switzerlands of the world will obviously be starved by such development. The whole world will be divided into tariff camps, and in these tariff camps the next world war will be born. Do we dare let the tariff makers stay stupid? In the light of these indisputable facts it will be very interesting to see what the Democratic and Republican platforms say about tariff.

THE ANSWER TO COMMUNISM

Third, we must find and follow a political leadership that will help us to realize that censorship, slander, and jail sentences are not adequate answers to communism.

Now, it is necessary for me, since I come from Wisconsin, to make myself clear on this matter. I am not a Communist. Everything in me cries out against any social plan that enforces a regimentation of life from above, whether it be by the dictatorship of the proletariat, of a plutocracy, or of a person. But I think we must be realists enough to realize that the only argument that will really answer communism will be the achievement and guaranty by Western capitalism of a better life for the millions than communism or any other alternative system can achieve.

Let us not delude ourselves. If the business and industrial system of the United States cannot or does not, in the long run, give as good guaranties

of security, leisure, and self-respect to the masses as the Fascists in Italy or the Communists of Russia, then in time, whether we like it or not, capitalism will take its place among the dead systems of history. If the leaderships of American business and American politics cannot or do not bring, in terms of our own national psychology and our own national desires, as intelligent planning to our national development as a Fascist leadership or a Communist leadership brings to the development of the national life of the Italian or the Russian people, then the American system of free capitalism and political liberty may find itself superseded by a better planned, even if, to us, a less desirable national economy. If the political and economic leaderships of the United States so blunderingly administer our foreign policies of politics and trade that England, France, Germany, and the rest of the Western nations cannot stand the gaff economically, it may be that nothing under Heaven can prevent a successful (even though temporarily successful) communism from sweeping Europe and ultimately affecting America.

Again let me make my own position clear. We do not want a Stalin or a Mussolini. But it is folly to assume that a Stalin or a Mussolini could not arise in the United States. There is a growing army of the victims of economic insecurity that could well be recruited by an American Stalin or an American Mussolini if—and in this *if* the whole of my challenge lies—if political and business leadership should remain persistently recreant to the duty of stabilizing the American economic order.

We have yet to reckon with what might happen if the white-collar men and women of America should join hands with labor—a merger not fan-

tastic to assume, if we prove as powerless to stop the onswEEP of this depression as we proved powerless to stop its onset. Personally, I am convinced that the American system of free capitalism and political liberty can answer communism, but that answer must be in deeds, not in words. For men cannot eat words! Men cannot wear words! Men cannot trust their old age to words!

REVERSAL OF EMPHASIS NEEDED

Let me now summarize what I have tried to say about the challenge to political leadership and the challenge to economic leadership.

History, as I read it, has been largely the record of what has happened in successive eras to the little men and to the big men. American history, for the last quarter-century, has been marked by two obvious facts: First, American politics has been dominated by concern with what the little men wanted. Second, American economics has been dominated by concern with what the big men wanted. And the result has been a creeping paralysis alike of American government and of American business. A too exclusive concern with the ideas of little men has brought statesmanship virtually to a standstill. A too exclusive concern with the interests of big men has stalled the economic machine.

The American history of the next quarter-century must, I suggest, reverse these concerns if we are to recapture reality in American politics and realize recovery in American business. The key to a renewed political life is reliance upon the ideas of the big men, a renaissance of authentic and masterful leadership, a refusal upon the part of the American people to submit American government to the political blackmail of led-by-the-nose groups. The key to a renewed economic life is

a realization that the income of the little men will ultimately decide the poverty or the prosperity of the American economic order. A vast total national income is no guaranty of permanent national prosperity unless that vast total is wisely distributed so that a wide and sustained purchasing power for consumer goods is continuously assured. To say this is in no sense an attack upon wealth or a suggestion that great incomes are immoral or anti-social. They are not. But the fact remains that we are today suffering from restricted demand for the very things we are best equipped to produce on a mass production basis, and we cannot increase effective buying demand for these consumer goods by increasing the savings or inflating the incomes of just the big men who will inevitably use such surplus for another stock market speculation or to duplicate productive facilities already lying idle because popular purchasing power is hamstrung.

I give you two sentences: First, economic statesmanship must not rest until it increases generally the incomes of the little men of America. Second, political statesmanship must not rest until it puts the ideas of the truly big men of the Nation in control of American affairs.

THREE KINDS OF LEADERSHIP NEEDED

The renewal of American life for which I have pleaded by indirection throughout this paper, depends—will you let me say it again—upon the twin arts of leadership and followership; and at this historic juncture in our national life, we stand in desperate need of the three major kinds of leadership: the leadership of the enunciator, of the executive, and of the exemplar. You could tell that a university president had stolen those three words from

a sociologist. Translated into English, these three terms, enunciator, executive, and exemplar, throw a needed light upon our immediate problem of leadership.

The enunciators are those leaders who are able to put into plain and compelling words either what the masses want, or, better still, what the masses should want. The enunciators are those leaders who give voice to deep feelings and convictions that stir unspoken in the minds and hearts of the people when the people face a crisis, the meaning of which they can feel, even if they cannot formulate it.

The executives are those leaders who are able to translate these deep feelings and convictions of the masses not into words alone, but into plain and compelling programs of action; and, having drafted such programs, are able to put them into effect.

The exemplars are those leaders who in themselves are living examples of that to which the voiceless masses aspire. The contagion of their character, more than anything they say or

do, moves the masses to high and heroic action.

Sometimes these three graces of leadership meet and merge in one man. When that happens, mankind knows the ministry of a great and transcendent leadership. But such transcendent leaderships appear only now and then in the long trail of the centuries. In the absence of leaders in whom these three gifts of the gods abide, we must cultivate and cherish all three kinds of leadership separately, and do our best to weld their diversities into a fighting force for the common good.

And so I suggest, in this conclusion, that, if our planning is to get beyond the stage of discussion, the United States at this critical juncture needs economic, political, and social leaderships into the making of which have gone a Wilson's gift for clear and compelling enunciation of the forces to be fought and the goals to be gained, a Mussolini's gift for decisive action, and a Gandhi's gift for moving vast masses of men by the compelling power of a crystal and indisputable sincerity.

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The Governmental Task

By FLORENCE E. ALLEN

FOR the purpose of discussing "Our Governmental Task," let us roughly define "plan" as being intelligent foresight into the particular needs of government, and active provision for the fulfilling of those needs before or as soon as they arise. In this country we have failed in the primary and most elementary purposes of government, because of our failure to plan. And deducing from the experience of the past, it seems to me that government in the future has the power either to carry out or wreck any plan upon which the leadership of the country may unite.

CONSTITUTIONAL BARRIERS TO ECONOMIC PLANNING

I shall not in any of its phases discuss compulsory economic planning. The enormous constitutional barriers which exist to such planning are self-evident. An illustration of the difficulty is found in the puncturing of the movement to take the profits out of war by the enactment of statutes permitting a capital levy upon wealth whenever this country shall institute armed conflict. The United States Constitution provides that private property cannot be taken for a public purpose except upon the payment of just compensation. Since the taking of private wealth for war purposes can be justified only upon the ground that the purpose is public, the ethically just and logically wise movement to take the profits out of war has now necessarily simmered down to the proposition sponsored by the American Legion to permit the President to fix prices of necessities in war time. And

this is the merest illustration of the probable unconstitutionality of compulsory economic planning along the line of state control of the distribution of national resources. On the other hand, the compulsory granting of special privilege through the tariff seems to be quite constitutional. Mr. Flanders, in his intelligent paper,¹ proposes that more rigid blue sky laws prevent financial operations which are inherently sterile, that taxation be used to divert unneeded profits into desirable social expenditure, and that there be an arbitrary shortening of labor hours to prevent the emergence of unusable profits. These measures may be said to be constitutionally feasible in so far as any one can ever say that legislation is constitutional which ultimately depends upon the votes of five against four men to maintain its legality. However, if the government in the past has failed to perform its most elementary functions because of our failure to plan, how may we expect that government as we exercise it will effect any radical and complicated departure from the haphazard economic control for the benefit of special classes which is exercised by government today?

Referring to our definition of "plan," the immediate question arises—How, with reference to government, may we conceive and carry out any plan?

I suggest that we need first, conscious, intelligent, long-term leadership in governmental planning, emanating not so much from politicians as from political thinkers. Second, we

¹ See "Limitations and Possibilities of Economic Planning," in this volume.

need the mobilization of militant public opinion in support of any plan so conceived.

The lack of intelligent long-term leadership on the part of political thinkers has been shown first of all in our failure to define and formulate our political faith.

CHANGING IDEAS OF GOVERNMENT

The underlying distinction of the United States Constitution was that it turned away from the ancient conception of government and established an entirely new conception of the state. This new conception was that the state has a moral responsibility; that officials hold their offices in trust for the people; that governmental power is to be limited by ethical considerations. This was revolutionary doctrine when it was uttered—doctrine not now accepted throughout the civilized world—doctrine not understood by all Americans. It was and is directly opposed to the old theory of sovereignty—the theory that the state can do no wrong. It declared that the people were entitled to the same honesty and the same purity of purpose in government as in private life. It declared that government should be for men and not men for government; that the reason for founding government was an ethical reason.

The first half of the nineteenth century wrought a great change in political institutions in all of the nations of Western Europe, as well as in the United States. De Tocqueville, noting this change, declared: "A new science of politics is indispensable to a new world; this, however, is what we think of least." Neither the American nor the English publicists constructed this new theory. Indeed, the theory of what I might call constitutionalism as a departure from the old theory of sovereignty is yet to be formu-

lated. The word "theory" is misleading. "Faith" expresses the meaning better.

Today, almost one and a half centuries after the adoption of the Federal Constitution, the political philosophy has not yet been outlined which enables the Constitution to be the living essence of our government. Politically, the American people are as a church which has a creed but no faith.

Constitutionalism means a government limited by fundamental laws and responsible to the people. Now, our political philosophers have turned almost in a body from this idea to the view of government which is uncontrolled, irresponsible, and unlimited. They have forgotten Locke and Montesquieu, the teachers of Hamilton, Madison, and Washington. They have turned to Hobbes, Machiavelli, and Bodin, all of whom looked upon government merely as unmoral physical force, acting upon individuals through coercion. In the law, our American jurists have turned to Austin, who, with aggressive precision, adapted and modernized the theory of sovereignty in the legal world.

Robert Lansing, in his "Notes on Sovereignty," after defining sovereignty as the "power to the extent of the human capacity to do all things on earth without accountability," and quoting Wheaton and Story as agreeing with him, adds the remark: "The exercise of sovereignty within a state does not involve reasonableness, justice or morality, but is simply the application of brute force." Again he says, "The only actual power known in human society is physical."

This idea of government as unlimited, unmoral, supreme, cannot be reconciled with the creative American conception of government. Even scientists agree that man cannot be

controlled by force alone. It is therefore impossible for us really to have faith that we can make particular application of American principles, without discarding the old-world belief in the political doctrine of irresponsible sovereignty, and formulating a faith grounded upon the application of ethical principle in group life.

The effect of our failure to formulate our political faith was disastrous. We had abolished the conception of private property rights in office. We had said that the same ethical standard should apply in public as in private life. Because the normal leaders in political thought failed to formulate or teach any political faith, we have seen the drift in this country back to the old-world conception, not only in low places but also in high places. We tolerate the doctrine that the office belongs to the officer—that whatever is wrong in private life is legitimate in public life, if, as we say, “we can get away with it.” We also tolerate the conception that government is established to enable certain groups to collect “all the traffic will bear.”

FAULTY EDUCATIONAL EMPHASIS

But how is this affected by the attitude of the political thinkers? I shall give merely two illustrations. The law schools had an opportunity to teach, through emphasis of legal ethics, not only private but also public standards. They had an opportunity to emphasize not only the private but also the public aspects of law. However, the law schools, after devoting in general a few hours only, during three years of intensive study, to ethical questions, now call upon bar examiners and state supreme courts to purge the profession of undesirables by raising the standards of admission so drastically that John Marshall, Thomas Jefferson, or Abraham Lincoln could

hardly afford to qualify in these days of expensive university study. The ethical test is made financial.

In their neglect of the public branches of law, the law schools have contributed to the disastrous situation; seen every day in thousands of cities and counties in the United States, where law students of small experience act as prosecutors, learning the practice as well as they can by rule of thumb. They battle with well-paid, adroit, and long-schooled lawyers, over important civil questions involving millions of dollars, and over certainly all-important criminal questions involving liberty, life, banditry, racketeering, and the public safety. The great phases of township, county, state, and national law are in general not at all adequately taught in law schools. The emphasis in those schools is upon private property rights.

When it comes to the teaching of political science in universities, the case is better. However, let me point out that the modern university lecture method often reaches a superlative efficiency in the teaching of autocracy. The lecturer delivers his lecture based upon books which he has written or is about to write, and the student writes an examination back to his lecturer reciting what the lecturer has written or is about to write; and instead of being an exercise in independent thinking, the recitation becomes too often an exercise of pure memory.

Political science has been taught far too much as an academic book question, related to texts only, and not really to government. When it comes to economics, the lack of intelligent planning upon the part of political thinkers is still more emphatic. Economics is often taught as something quite divorced from actual life, and in no way applicable to action by the Congress of the United States.

RESULTS OF LACK OF LEADERSHIP

The results of this lack of thinking political leadership are evident. It is because of this that we have the distortion in the use of the war power—the practical institution of war by executive order without the authorization of Congress demanded in the Constitution. It is because of this lack of leadership that the tariff has grown to such proportions that Congress has actually granted to great manufacturing interests higher tariffs than they asked.

It is because of this lack of leadership that while the political party controls politics, the political organization and not the party voter controls the party. If you doubt this statement, I suggest that you go to your local Democratic or Republican Committee and ask to have a capable, upright member of your particular party appointed to a "good job" in a case where the ward leader is asking for the appointment of an incapable and thoroughly doubtful member of that party for that same "job."

It is because of the lack of leadership that we vote on men and not on measures; in other words, that we have not, in either dominant party, any generally formulated, sharply defined platform.

Since we vote on men and not on measures, the system deteriorates and demoralizes into a voting not even for men, but merely against men. Our voting takes on the embitterment and the decadence of revenge.

Government in this country has not even efficiently planned for the protection of life and the maintenance of human rights. It is true that courts have been established and that laws have been made for the attainment of these purposes. To that extent there has been a plan. But the performance of this elemental function has been constantly wrecked by the failure to

adopt and carry forward over a long period effective legislative, administrative, and judicial plans for the fulfillment of these purposes. In this sense our failure to plan is directly responsible for American defects in the repression of crime. So far from anticipating the need, we failed to recognize it when it had long existed. I shall give only one illustration of this fact, an illustration doubtless pertinent to the judicial life of almost any American state. As the County of Cuyahoga, Ohio, increased in population, so that today it has within its borders about one eighth of the entire citizenship of the state, in order to cope with the increasing amount of litigation, both civil and criminal, all that was done was to add officials. We added deputy clerks, deputy sheriffs, bailiffs, and judges. In 1921 we found that in the great common pleas court of Cuyahoga County we had twelve judges, each one a law unto himself. There was no administrative head to the court system, with its hundreds of employees. It was as if there had been a steel plant employing twelve hundred men with twelve managers, each independent of the other. I need not describe the peculiar tragedy of this situation. This particular plant so mismanaged was not an institution for the manufacture of steel billets, but an institution erected for the repression of crime and the protection of human rights in Cuyahoga County. I shall not go into the story of that movement, nor tell how finally, since through the legislature we secured the right to have an administrative head, our court has increased in speed, in certainty, and in justice of decision. The specific point that I make is that this was an all too common illustration of the failure of the American people to plan for the performance by government of its elemental functions.

A familiar illustration is our colossal mistake in continuing a two-chambered city legislature and in riveting the cities to the states. Home rule for cities has brought city planning to the fore.

MOBILIZED PUBLIC OPINION NEEDED

I do not claim even to have outlined the results of the lack of conscious, intelligent, long-term leadership on the part of the American political thinker; but I shall pass to my second particular point, which is that we cannot carry out any governmental plan in this country, however well conceived, unless we mobilize intelligent public opinion behind that plan, among the voters. In this connection may I quote from Walter Lippmann, who, in commenting upon the tragic Lindbergh kidnaping, says:

It is fair to say, I think, that we have the strongest laws and the weakest government of any highly civilized people; nowhere else, I think, are the people of a great city like New York under the control of politicians who are locally elected; nowhere else, I think, are judges so tied to fluctuating majorities, and nowhere else are they so ignominiously entangled with legislative rules.

Any statement by Walter Lippmann must be considered with great respect. However, from the practical standpoint of one who has held elective office for twelve years, having been elected three times, twice over a state comprising eighty-eight counties, I submit that Mr. Lippmann's statement is true only in part. It is true that our government is weak in the fact that we have many elective officials chosen for so short a term that the inevitable tendency is to spend the term in angling for reelection. It is true that our judges, at least in most of the states, are elected. Also, so long as they perform a legislative function, namely,

that of setting aside enacted statute upon the ground that it is unconstitutional, I, for one, believe that they are rightly elected. Furthermore, in my experience, as we have developed our government, we usually secure in this country a higher grade of judge in the states from election than from appointment. This need not be the case, but it is the case.

I doubt, also, whether the people of New York City would be in much better situation if they were under the control of politicians who were appointed from some other source. Changing the source of power does not eliminate the politician. In other words, there is no system of self-government which will work unless the people work it.

My sharp point of departure with Mr. Lippmann, however, is that while our officials are in office, it seems to me that they are supreme. They are supreme because they are practically relieved, except upon a few occasions, from the intelligent scrutiny of the mass of voters. The press sheds some light upon their deeds and misdeeds, but since the officials owe and pay their allegiance to the party organization, in countless particulars, they defy the press. Now, the political organization is always interested in the political job. If it is a corrupt machine, it is also interested in political graft. Rarely is it keenly interested in repression of crime, in lower taxes, in city planning, in city zoning, in the power question, in workmen's compensation, in the tariff, in world peace, or in the economic struggle, except as these issues affect the election and the jobs. This is not primarily the fault of the organization so much as it is the fault of the people who make up the party but have abdicated their power in the party. The result is that in the great and far-reaching questions which

are not immediately bound up with political patronage, judges and executives in this country are left to go practically their own way. The judges set aside statutes, and because of the defects of the legislatures, they constantly exercise a legislative function in the construction of statutes. Both the executive and the judiciary arrogate to themselves continually greater and greater power.

PUBLIC APATHY TOWARD GOVERNMENT AND LAW

All of this condition is due to our failure to mobilize public opinion to check, control, and guide officials. To the same failure is due our tragically casual attitude toward government.

Why do the mass of citizens in America look upon politics as being a colossal if interesting game, in which the prizes are the governmental positions, or, as we say in everyday speech, the "jobs"—a game in which it is natural to want to be on the winning side, but the result of which is decreasing concern after the votes are counted? It is because as a nation and as communities we have failed to plan—we have failed to foresee the need of mobilizing militant public opinion behind the fundamental doctrines upon which the country was established. We have not formulated, much less kept alive, faith in these ideals. This is true with reference alike to the judicial, the legislative, and the administrative branches of the government: Is it not true that there has been an almost total apathy, until recent years, among the so-called "better class" of citizens toward the functioning of the courts except as they may affect some particular case? All of us have heard upright citizens state with something of pride that they have never been in a court. Some twenty years ago it was quite the fashion for

the so-called "better class" to boast that it had never had any touch with the criminal court. This shrinking on the part of the intelligent from any visible interest in the administration of justice had the effect of giving over the courts, to which the vast majority of people resort, to litigants and lawyers who too often had little or no inheritance of the strictly American tradition—of the thing that James Truslow Adams in his *Epic of America* calls "the American dream."

Particularly unfortunate in the criminal courts was this view of government as a game. The prosecutor began to use every kind of unscrupulous method in order to win convictions, simply because it became only a game in which he won if he secured a conviction. The lawyer for the defendant, on the other hand, was fighting for financial stakes, and all that was of moment to him was to win the game. And so in the distortion of the criminal trial by the prosecution on the one side and the defense on the other, the courts have swayed backward and forward in an endeavor to restrain the prosecution from manifestly unfair tactics and at the same time to retain and justify conviction. This on the one hand has resulted in the writing of innumerable technicalities into the case law, and on the other hand has led the courts often to ignore gross misconduct upon the part of the prosecutor—all to the manifest disadvantage of the public.

DISTORTION OF JURY SERVICE

When it comes to the distortion of the jury service in this country, that also has its root in the complete misunderstanding of the importance of the judicial function by the electorate at large. We generally think the criminal laws affect only a small section of humanity. In their final result they affect all of us, but the trying of crimi-

nal cases does not come very close to people in general. And so, with the growing conviction that government is only a kind of game, there came the increasing effort to evade jury service. There is no reason why the jury could not have been the bulwark of human freedom in this country that it is elsewhere. But in this country the obligation of jury service was never brought home to the citizens. When the call to jury service conflicted with the needs of business, the jury went by the boards and the professional juror became an institution. Cards were played and dice were thrown to decide what the verdict should be, and in that time, the forerunner of the gunman and the racketeer began to understand that the courts of America could be manipulated for his benefit.

It is our failure to mobilize public opinion which is, in the last analysis, directly responsible for the toleration of the banditry and the racketeering which thrusts its ugly head above us, not only in our cities but also in our rural life. For while it is true that the gunman could not exist unless he were tolerated by the corrupt official, it is also true that the corrupt official could not exist unless he were tolerated by the American people. Since our leaders have not foreseen nor even recognized the existing need for militant, actively functioning public opinion, and forestalled that need, we are brought to the present catastrophe—a catastrophe far wider in extent than the mere economic depression.

PERVERSION OF LEGISLATION

The same thing was true of legislation. Government was a game, in which the prizes were positions for the winning group. Positions in the state legislature were among the smaller prizes. Members of the legislature were given a short term and a small

salary. The members of state legislatures could not give their whole time to the important questions confronting them. The casual nature of our attitude toward the state legislature, our total lack of planning for its need, seems grotesque when we realize that the average American state is greater in population and area than the average of the countries of Europe. All of the evils of the short legislative session, with logrolling and the ever recurrent legislative jam so apparent in our congressional life, were present in the state legislatures also.

The individual legislators should not be blamed for undigested legislation. Rather, the system under which they operate should be blamed. This system has precipitated problems hard to realize except for those who have the experience of comparing and trying to reconcile statutes. In a court of last resort, for instance, where it is necessary to construe statutes not only for the purpose of deciding their constitutionality but also for the purpose of deciding their ordinary meaning, one realizes the handicap under which the legislature has acted. One sees as well the resulting injustice to the people; and this is to be traced directly to the fact that America has never properly appraised the crucial importance of the legislature, either state or national. I do not mean by this that the legislature is more important than, for instance, the courts. I mean that America has never planned for the proper performance of the legislative function. The American courts, in spite of the justified criticism of their shortcomings, could and did function with a certain degree of efficiency because of the age-long tradition of courts which guided them. The legislatures and the Congress, on the other hand, were doomed by short term, by relatively small salaries, by large membership, and by

public disregard from the very start, to at least partial failure.

An easy way out of this legislative dilemma was to give the power to make laws to small groups of men who theoretically would be chosen for their fitness to handle particular subjects. Hence we began to have government by commissions and by bureaus. This tendency has been the subject of increasing criticism. It is not too much to say that under the general system of commissions, state and national, now operating with reference to particular branches of legislation, these bureaus are allowed actually to make law, are allowed to hold semi-judicial hearings under the law, and then are expected impartially to enforce the law which they themselves have made.

Thus, under the Constitution of the State of Ohio, the industrial commission is authorized to promulgate orders for the protection of the lives, the health, and the safety of employees. The commission has exercised this legislative function with reference to all manner of shops and buildings. Its orders cover blowers and exhausters, metal machinery, polishing and grinding machines, all wood-working machinery, all foundries, all phases of the building trades, scaffolding, and so forth.

The industrial commission by statute is authorized to administer and to enforce all of these orders which it has made, and this administrative power it constantly exercises.

Under the Constitution of Ohio an extra penalty of from 15 to 50 per cent is added to the compensation for injury or death if it is caused by the failure of an employer to comply with the specific requirements or orders made by the commission. Who determines whether the employer has violated the specific requirement, and how much the penalty shall be? The industrial commission.

I do not single out my own state. This is typical of the drift in this country toward autocratic bureaucracy, due to the disgust of the people with the working of the legislative system.

VOTERS NEED INTELLIGENT UNDERSTANDING

This contempt on the part of the people for the legislature, with their consequent abdication of so great a measure of political control, goes back primarily to the lack of thinking leadership. The rightful leaders of the country have given the voters little conception of the general economic power of government. Our failure to plan, both in leadership and in building up public opinion, is immediately responsible for the infinitesimal view which the people at large take of the economic function of government, regarding that function as something which is to be exercised for the benefit of the individual only, and not for the mass. The full-dinner-pail argument has been made, but an intelligent understanding of how government can be and has been used to promote special and to prevent general prosperity, has not been taught the voter. The great stakes of world markets and of international credit are foreign to his ken.

In my judgment, we cannot progress unless the individual voter fully realizes that the enormous barriers being raised in the world today against the normal functioning of trade and credit have been raised by legislative action. Essential to the solution of our governmental problem is the institution of long-term, expert, continuous session legislative service, together with an understanding upon the part of the voter that this legislature has it in its power to prevent him personally from making a living.

Whatever economic plan may be considered and recommended by the

intelligent minds of the country, the problem cannot be decided unless the American people understand not only that we live inextricably intertwined with other nations in our business relationships, but also that these business relationships are profoundly affected and may even be completely destroyed by the building of legal barriers to the normal interchange of trade.

Government cannot of itself bring about social and economic justice, but government can absolutely block social and economic justice. Government

cannot establish the millennium, but government can indefinitely postpone the millennium, and often has done so. How can we rouse the political thinkers to take up the reins of leadership? How can we rouse the people to the emotion of the ideal so that they will reassume their abdicated power in government and demand and support group action for the general good?

Must American civilization be completely wrecked before we can build anew?

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World Economics *

By ERNEST MINOR PATTERSON

THERE are two groups of forces with which we must deal. One group is decentralizing—centrifugal. Nationalism, both economic and political, is growing. Old bonds of empire are weakened, new states come into existence, and barriers are raised against the movements of people, of trade, and of capital.

The other group of forces tends to draw together all parts of the world. Dependence is growing. In all phases of life the people of each region of the earth are increasingly dependent upon every other part. Improved means of transportation and communication have in effect lessened the size of our earth. For economic and other purposes it is a smaller globe. We who live on it are brought more closely into contact with one another, with the result that our problems are more numerous and more intricate.

THE CLASSICAL APPROACH

There are several ways in which students of economics in the twentieth century may approach their task. One way is that described some years ago by Professor Frank A. Fetter of Princeton University, who stated: "The ambition of successive writers has been 'to modernize Mill' rather than to modernize economics." He had in mind the notable tendency of writers in America to repeat with but slight modifications the analyses of the English classical school. This tendency seems natural enough when we recall the extent to which many phases of American life and institutions are

based upon the British, yet surprising when we remember that the United States did not closely imitate British economic behavior. In commercial policy, at least, we have more similarity with the Continent than with Great Britain.

It is easy to criticize the economists for these tendencies in their writings, yet any other line of development would have been far harder than their detractors realize. It is to be remembered that two tremendous changes have occurred during the last century, each of which creates well-nigh insuperable difficulties, and which combined probably have made the economist's task impossible.

One is the extent to which related fields of study have been revolutionized. Biology, psychology, physics, chemistry, and philosophy are almost entirely changed, or at least the present leaders in those fields do not accept the views of one hundred years ago. Even more serious, they are as yet not sufficiently in agreement among themselves in their major findings for the rest of us to build confidently upon their work. In so far as classical economics has rested upon their abandoned theories and in so far as the reconstruction of economic thinking may depend upon assumptions from those related fields, progress must be slow. Today one may agree with many of the strictures against our work, such as those recently advanced by William McDougall,¹ but reply that we can proceed with more assurance when scientists in other fields tell us more confidently what we are to substitute for the

* This address was delivered before the Academy of World Economics at its opening meeting, April 6, 1932—EDITOR'S NOTE.

¹ *World Chaos*, New York: Routledge, 1931.

"economic man" who has been so much derided.

The second difficulty is the rapidly changing nature of the phenomena that the economist endeavors to explain. Our field of study was shaped most definitely in the eighteenth and the earlier years of the nineteenth century, and chiefly by writers of Western Europe, particularly in England. Of necessity they reflected the thought of their time, which was dominated by the idea of natural rights. Moreover, the economic world which they were analyzing was one in which competition and freedom from state interference were more nearly characteristic than now. Since that time great changes have come. Monopoly in varying degrees and in myriad forms is much more frequent and we are being constantly reminded of the "decline of laissez faire."² It is true that the general public still talks in terms of economic individualism and condemns all or nearly all government activity, but the change has come. To an important extent economics must be altered if it is to be an accurate interpretation.

Yet facile criticisms are of little help, and reconstruction calls for more ability than most men possess. A little later we shall return to the problem, and shall here merely point out that a study of world economics adds still another task. Our older theories have rested upon findings in related fields—findings that are no longer accepted, at least not without sweeping modifications. They were an attempt to explain an economic world whose structure and operation have profoundly altered.

But the third task is fully as baffling

and perhaps more so. Classical economics as we have it has been developed in Western Europe, especially England, and in the United States. No matter how helpful its generalizations for that part of the world, are we confident that they will be equally valid today for Italy, for Russia, for China, and for India? Even if our theories of interest, rent, wages, and the rest satisfy us as explanations of our immediate environment, may we utilize them with equal satisfaction when we must deal with economies as diverse as the ones named? It may be possible to accept the views of those who believe with Loria³ that there are economic generalizations true at all times and in all places, but even if we hesitate to deny the contention, it will still be necessary to choose and to formulate such theories with the greatest of care. Certainly we cannot blindly "modernize Mill," but must undertake to modernize economics.

ECONOMIC NATIONALISM

Another approach to be examined is that of economic nationalism. An American economist, Professor Thomas N. Carver of Harvard University, has written a volume called *Principles of National Economy*, whose first chapter is entitled, "What Makes a Nation Prosperous?" He writes frankly from a national point of view and presents a theory of national prosperity, citing "the illustrious example of the great Adam Smith whose work was entitled, *An Enquiry into the Nature and Causes of the Wealth of Nations*."

During the decade or more since this work by Professor Carver appeared, there have been many changes. Among the most notable has been the attention given in the last few years to national planning—an idea developed

² See Keynes, J. M., *The End of Laissez Faire*, London: Woolf, 1927; Salter, Sir Arthur, *Recovery: The Second Effort*, especially pp. 13 ff., New York: Century Co., 1932.

³ Loria, Achille, *The Economic Synthesis*, London: Allen, 1914.

in a rapid and spectacular form by the Russians, but of necessity forcing itself upon all of us. This movement would seem to be a confirmation of a nationalistic economics, had the world not simultaneously discovered that independent planning by nations is impossible. We have scarcely grasped the fact that individualism in the old sense is no longer possible and that *laissez faire* and the invisible hand are out-dated, when we are compelled to acknowledge that coöperation on a base even so broad as the national one is inadequate. In fact, its consequences are far more serious. Disasters may follow from an unregulated and individualistic economic behavior, but they are mild compared with the tragedies if large national groups clash, each thoroughly organized in opposition to the rest. The national approach will not do.

OBJECTIVES OF THE ECONOMIST

Perhaps we may make a start by quoting from a British writer, Mr. J. M. Keynes:

The theory of economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions.⁴

To this we may add the statement of Professor J. H. Hollander of Johns Hopkins University:

There is, alas! no prospect of trade secrets to be imparted, or ready-to-use cure-alls to be dispensed. The stock in trade of the economist is not a bag of tricks, but only a mental habit built of the stuff of which common sense is made—orderly thinking, acquaintance with a wider range of related facts in balance of

intimacy with local minutiae, some historical equipment and a profound sense of the organic interdependence of the business world.⁵

Possibly Keynes and Hollander are correct. It may be that our search for economic truth is a hopeless one and that all we can ever attempt is to analyze the phenomena with which we are dealing and present *ad hoc* remedies as they are called for or are needed. But thus stated we may lay ourselves open to the scorn of R. H. Tawney, who says of his fellow-countrymen:

It is a commonplace that the characteristic virtue of Englishmen is their power of sustained practical activity, and their characteristic vice a reluctance to test the quality of that activity by reference to principles. They are incurious as to theory, take fundamentals for granted, and are more interested in the state of the roads than in their place on the map. . . . Most generations, it might be said, walk in a path which they neither make nor discover, but accept; the main thing is that they should march. The blinkers worn by Englishmen enable them to trot all the more steadily along the beaten road, without being disturbed by curiosity as to their destination.

. . . There are times which are not ordinary, and in such times it is not enough to follow the road. It is necessary to know where it leads, and, if it leads nowhere, to follow another. The search for another involves reflection, which is uncongenial to the bustling people who describe themselves as practical, because they take things as they are and leave them as they are. But the practical thing for a traveler who is uncertain of his path is not to proceed with the utmost rapidity in the wrong direction: it is to consider how to find the right one. And the practical thing for a nation which has stumbled upon one of the turning-points of history is not to behave as though nothing very important were involved, as if it did not matter whether it turned to the right or to the left, went up hill or down dale, provided that it continued

⁴ Written in the Introduction to *Supply and Demand*, by H. D. Henderson, p. v, New York: Harcourt, Brace & Co., 1922.

⁵ *American Citizenship and Economic Welfare*, p. 6, Baltimore: Johns Hopkins Press, 1919.

doing with a little more energy what it has done hitherto; but to consider whether what it has done hitherto is wise, and, if it is not wise, to alter it. When the broken ends of its industry, its politics, its social organization, have to be pieced together after a catastrophe, it must make a decision; for it makes a decision even if it refuses to decide. If it is to make a decision which will wear, it must travel beyond the philosophy momentarily in favor with the proprietors of its newspapers. Unless it is to move with the energetic futility of a squirrel in a revolving cage, it must have a clear apprehension both of the deficiency of what is, and of the character of what ought to be. And to obtain this apprehension it must appeal to some standard more stable than the momentary exigencies of its commerce or industry or social life, and judge them by it. It must, in short, have recourse to Principles.⁶

With these admonitions to guide us, or at least to start us on our journey, in what direction are we to go? It is futile to answer that we are merely to examine the facts and draw such conclusions as are warranted. Scientists do not gather data indiscriminately. They collect instead the material that will shed light upon the particular problem they are studying. Darwin was desirous of finding the answer to a question that perplexed him, and he collected the information that would shed light upon it—that would furnish an answer for or against the evolutionary hypothesis.

Students of world economics will today similarly be guided by their desire to answer whatever seems to them the most important question before them. That question is not "What makes the nation prosperous?" but "What makes the world prosperous?" What can we learn and what can we do that will prevent a recurrence of such tragedies as war and

business depressions—tragedies that are no longer local but are world-wide in their scope? Assuming the investigators to be endowed and equipped as Messrs. Keynes and Hollander and Tawney would have them, their efforts today should and will be directed toward finding an answer to this question. The facts assembled will be those which are pertinent, and not the countless others that are irrelevant. They will be arranged and studied with the purpose of the inquiry in mind—a purpose which is today more important than any other toward which our attention could be directed.

After so extended a recital of the difficulties of the task of world economics, it seems presumptuous to attempt more. Yet out of the various efforts that may be made, even by those fully conscious of their own limitations, may come something that may be either used or avoided by others. The remainder of this paper will accordingly be divided into three parts: first, an arrangement of certain current phenomena; second, a few comments on the obstacles we shall encounter in our efforts to avoid wars, prevent depressions, and secure world prosperity, if the present structures and procedures are maintained; third, an indication of the lines along which changes can most hopefully be undertaken.

WORLD INTERDEPENDENCE

A survey of the world panorama reveals to the observer, first of all, a highly intricate and very interdependent economic structure. This is today an almost tiresome commonplace, cheerfully conceded by everybody and almost as cheerfully ignored. Yet it must be emphasized. There are many ways of doing so, but the most fruitful is to analyze the balance of inter-

⁶ Tawney, R. H., *The Acquisitive Society*, pp. 1-3, New York: Harcourt, Brace & Co., 1920.

national payments of such a country as the United Kingdom or Belgium or Japan. The life of any modern industrialized area is seen to be in a condition of extreme dependency. Its people can maintain their standards of living and in many cases can continue to exist only if certain important business processes are maintained. Food and raw materials must come in and manufactured goods must be exported. Invisible items such as tourists' expenditures, the earnings of merchant vessels, and payments of interest due, must likewise continue if there is not to be a collapse.

Of course this state of affairs is the same as that within any one country. In domestic problems we admit it and provide for it. Each of us depends upon his fellows so fully that we no longer consider that our economic rights are absolute. Thus, such rights as property rights are exclusive, but not absolute. We do not allow an owner to care for or neglect or abuse or destroy his property as he sees fit. He must submit to numerous qualifications of his rights. Others also have rights, and the joint interest may be described by saying that public or social interests are primary, while individual rights are secondary and contingent—a way of putting it that the reader may promptly recognize as adapted from Professor Tawney.

Again to paraphrase and adapt Tawney—although we live in an acquisitive society, we recognize the folly of insisting upon rights to the neglect of functions. Our concern is to have coal taken from the mines, and food-stuffs from the farms. We want railroads and factories to operate, and we realize that insistence upon rights and neglect of functions is fatal. It would be far better to sacrifice stockholders and bondholders than to have a great railroad cease to function; therefore,

we accept receiverships and reorganizations rather than a paralysis of transportation.

But in the world field we see dependence to an equal degree, and at the same time a rigid and often harsh insistence upon rights. Little or no provision exists for maintaining the free flow of economic life when strain arises. Rights of investors are pressed in some cases with the aid of military force. Reparation claims and other political debts are viewed as rightful claims even when insistence upon their collection helps to break down the free movement of commerce. Alleged rights to impose tariff duties and other trade barriers likewise are obstacles to the functioning of business.

INCREASING NUMBER OF POLITICAL STATES

The first thing we notice is this world interdependence. The second is the existence of a large and growing number of allegedly sovereign states. Each has its own political and economic organization. The government of each undertakes to organize a separate economic and political structure for the advantage of its own people, and the result is a closely knit national economy. To quote Josef Grunzel:

Economic protectionism represents the logical consequences of the situation created when world-economy relations break into the national-economy sphere. . . . It is neither more nor less than the sum total of the measures adopted by the national-economy unit for the purpose of advancing its interests in the field of world economy.⁷

In spite of the increasing need for a lessening of emphasis upon rights, we witness, instead, more separate states, each insisting upon its rights in opposition to the rest. The Treaty of

⁷ Grunzel, Josef, *Economic Protectionism*, p. 7, London: Oxford University Press, 1916.

Versailles may not have been the cause of the new states of Europe, but it recognized them. The British Empire has been modified into a commonwealth of nations, and the consequences of this change led even so staunch an internationalist as Sir Norman Angell to say: "Whether the failure of the Imperialist method prove a curse or a blessing will depend upon what we substitute for it."⁸

GROWTH OF STATE FUNCTIONS

The third feature of significance in the world scene is the growth in the functions performed by these numerous states. These functions have grown both extensively and intensively. More duties are intrusted to governments, and the old duties are done more thoroughly. Police departments and fire departments are not new, but their duties are more numerous, their personnel is larger, and their operation is more costly. Military establishments are more elaborate and more expensive. While these old duties are increasing in importance, new ones are added.

Mr. Keynes has written an admirable little volume entitled *The End of Laissez Faire*. In his recent work, *Recovery*, Sir Arthur Salter has a chapter entitled "The Passing of an Era," in which one of the sections is headed, "The Passing of Laissez Faire." The older conception of an automatic mechanism functioning under the guidance of an invisible hand is no longer an accurate interpretation of our economy. We still hear laudations of individualism, but they often come most loudly from those who are seeking the most aid from their government. We may be able to have "more business in government," but at any rate we are getting not less but more

"government in business." Some one has recently observed that the Victorian laissez faire era was merely an interlude between the mercantile era and our present régime.

For our present purpose, the passing of laissez faire is important because the growth of state functions tends to unify each national economy in opposition to the rest. As state duties multiply and state expenditures grow, the nationals of each state develop more and more interests in common and find themselves in many particulars united in opposition to the nationals of other states similarly unified. The state is more than the political myth suggested by M. Francis Delaisi.⁹ It is a substantial economic organization. In a world closely interdependent, it presents an almost insuperable obstacle to the free operation of economic life.

These three features are prominent in the world today—dependence, a growth in the number of political states, and the passing of laissez faire. It may next be noticed that there grow out of this situation three economies—the national economy, the international economy, and the world economy. Each must be briefly described.

NATIONAL ECONOMY

The national economies are numerous. Each performs and must perform many functions that can be cared for in no other way. Some of their duties cannot well be ignored or shifted. The construction of highways, factory inspection, and the maintenance of domestic order are tasks that ordinarily must be performed by the national economy or by one of its subdivisions. Others are not so clear and are constantly in dispute. For example, has any given national economy the right

⁸ *The Unseen Assassins*, p. 216, New York: Harper & Bros., 1932.

⁹ *Les Contradictions du Monde Moderne*, Paris: Payot, 1925.

to a complete control over its own resources, even to the extent of limiting immigration? Such immigrant countries as Australia, Canada, and the United States say "Yes." But Italy, Japan, and other emigrant countries are not so ready to agree. May the people of any given country through their government do as they please with the exploitation of their mines and oil wells? We in the United States at least thought we could do so during the late war, but more recently we have not been entirely willing for the Mexicans to do the same.

INTERNATIONAL ECONOMY

The close interdependence of all parts of the world has made the actions of each national group a matter of concern to all the rest, and the international economy has been developed. Through bilateral or multilateral discussions, through diplomatic correspondence, and by conferences, the national economies attempt to adjust their differences. The contacts are continuing or casual. The organizations used for the purpose are either created as occasion arises for their use, or are permanent in their nature like the League of Nations and the World Court.

Internationalism has so occupied our thoughts in recent years that we may, perhaps, have become hypnotized by it. One reason is that as a method it has accomplished so much and promises so much. Another is that its purposes may be so readily expressed in the terminology of altruism. Within the last few days a distinguished public servant has stated:

We need only directive wisdom to control our own specialized activity and we need two great qualities without which wisdom can never be effective—the two great qualities which this . . . world seems for the moment to have lost—courage and magnanimity.

This seems splendid, but we may doubt if it tells the whole story. If we are right in our picture of an interdependent world, divided into separate economic compartments, each organized somewhat against the rest, we may not soon see the exercise of courage and magnanimity on a scale large enough to be effective. Instead, we may observe a continuance of the present tendency. Each national group endeavors to further its own interests, to restrain its imports and to expand its exports, to secure the maximum gain from its own resources—until, to quote again the publicist just mentioned, the net result is collective suicide.

But is not the answer to be found through international coöperation? If representatives come together for an exchange of views, they will presumably understand each other better and adjust their differences. By negotiations, by the method of conference and through mutual understanding, our problems will be solved.

One is tempted to comment upon the optimism of such a view. It is reminiscent of Bastiat and others of a century ago with their belief in the "economic harmonies." There are many quasi-economists of today who also believe firmly in the fundamental harmony of interests. They talk much of economic law and sometimes even refer to *The Economic Law*. All we need to do is search for it carefully. Once it is discovered and applied, our troubles are ended.

If we unquestioningly accept such a view we shall certainly have forgotten the suggestions of Keynes and Hollander quoted a few pages earlier. Or, if we note the operation of internationalism, particularly in the last few years, we shall at least wonder whether it is the best or the only way. An analysis of its possibilities and its limitations will help us to utilize it to

far better advantage than if we view it as a panacea.

The first result to be expected from the international approach is that the national economies represented in it will exchange information and points of view, and will discover that in many particulars their interests are mutual. Fancied difficulties often vanish when closely scrutinized. When these "harmonies" are detected, problems are solved; and there is a large field within which important adjustments may be made by the national economies concerned.

CONFLICTING INTERESTS

A second outcome of the international method seems less encouraging. It is wrong to suppose that when light is thrown upon a question agreement will always follow. Such a view assumes a fundamental harmony of interests, but this harmony does not always exist. Often there is a very real and serious divergence, and additional light merely reveals it. If one man fully understands the other, he may dislike him more intensely because of it. If an actual divergence of interest is made clear through a careful analysis, each party to the dispute may contend for his view more vigorously than ever.

And interests are not always the same. Up to a certain point, employers and employees are in harmony. Employers find it advantageous to pay wages high enough to get the labor results they seek. Employees do not gain by demanding wages so high that employers are driven into bankruptcy. Between these extremes there is a wide field for controversy. France does not find it to her advantage to receive all the coal it pays the British to send her. The British will be seriously inconvenienced if they export as much gold as the French may profit by taking.

When these divergencies appear, it is often possible to arrange mutual concessions. The Germans may agree to import more French wines than they really wish to take, provided the French will take more German steel than would otherwise be advantageous.

These three results indicate the advantages and the limitations of the international approach to economic problems. Many problems can be solved, and should be, by national economies. Some may be cared for by the international method, which will reveal many harmonies of interest, will show many real and very acute conflicts of interest, and may in some cases provide for mutual concessions. But there are left many serious problems that must be solved, if at all, in some other manner. Much may be accomplished by the development of the world economy to which we shall refer a little later.

This cursory survey of the world as it is brings us to the next step in the analysis. Are the problems that cannot be reached of a serious nature? Even if we admit that international efforts have been inadequate, are the defects important? Little argument on this point is necessary. The efforts to reduce tariffs during the last five years or even to secure a tariff truce have brought no results. Tariffs are continuing to rise. Attempts to get a really workable adjustment of reparations and other political debts have accomplished but little. Last summer brought tragedies to Europe and a prolongation of the world depression. This spring we face the danger of another and perhaps more serious collapse, with little as yet to encourage us in hoping it can be averted. An Austro-German customs union is abandoned. A Danubian union is at the moment being considered, but the more it is studied the greater seem the

difficulties. Just now it appears that nothing will suffice but the inclusion of all or nearly all of the countries of Europe—but the organization of a Pan-Europe is a stupendous task. In the meantime, bitterness is not diminishing, the task of the conference on disarmament is growing daily more difficult, and we are perhaps experiencing only a few days of comparative quiet in the Far East.

SUGGESTED PROCEDURES

Passing at once to our third and last point, we may ask ourselves what further lines of effort seem most hopeful. A procedure which has an allure-ment for many is to undertake in the name of peace the reformatations that in their implications are not limited to the problem at hand but are applicable to many other of our economic ills. A few illustrations will help. Many suggest that the Mexican people or the Filipinos should have complete control over their own resources, yet are deeply shocked at the proposal that the people of the United States should have a similar control over American natural resources. Some contend that there is an impropriety in absentee ownership of properties in Nicaragua, who find nothing wrong with it in Arizona or Colorado. It is alleged that inter-governmental debts should be adjusted downward because of the fall in prices; yet very few are ready to advocate a similar treatment of private international debts or of domestic debts. There seems to be something highly immoral in the lack of self-government in India or in Korea, but some Philadelphians have viewed with equanimity a somewhat similar state of affairs in their own city.

To mention these real or perhaps only seeming inconsistencies is not to deny the existence of very important problems in each case. But those who

attempt to meet any particular difficulty by reforming our entire political, economic, and social structure must at least be patient. They will progress very slowly and uncertainly toward their goal.

Another procedure is for each country to turn inward—a method urged by Dean Donham of Harvard University in his volume, *Business Adrift*. It is the method of increasing economic self-sufficiency. We may dismiss it by observing that it seems about as promising as Gandhi's proposal for a return to the hand loom, as Dame Partington's efforts to sweep back the sea with her broom, or as the attempt of all the king's horses and all the king's men to put Humpty-Dumpty together again.

WORLD ECONOMY

A third line of effort is to encourage the development of a world economy. It is new, if at all, only in its formulation and in its emphasis. As we shall see, there is already a distinct tendency in practice to apply the idea, which is to shift as many as possible of our acute problems from an international to another basis.

An illustration is to be found in our difficulties with national currencies and banking systems. We are familiar with the strain on foreign exchanges due to the fact that the currency of one country is not widely acceptable in others. There are sharp fluctuations in the demand and supply of foreign exchange. Gold points are reached in the quotations, and gold moves back and forth. If it does not move readily, currencies depreciate and other troubles follow. If it moves too abundantly, some countries are surfeited with gold while others suffer from a shortage.

Within a given country such difficulties are unknown or are of trivial importance. Within those invisible

boundary lines which separate one part of our country from another, or states, we hear little of gold movements, exchange fluctuations, and extreme differences in rates of interest. Some exist, but their basis is definitely economic, not political. Within each country there is a general reserve of gold and a uniform currency acceptable in all sections.

It is not at all new to suggest that a world currency would be a vast improvement. A form of payment acceptable everywhere would lessen strain and vastly simplify business transactions. There were imperfect approaches to such a currency in the widespread use of sterling drafts in prewar days.

Another illustration is to be found in the form taken by business organizations. The tendency is for those engaged in any one line of activity to group themselves now along national lines. In the United States there are the American Bankers' Association, the National Foreign Trade Council, the Iron and Steel Institute, and countless other business groups of a similar nature. Membership is in general open only to those whose residence and business activities are within the United States. Similar organizations, likewise on a national basis, are to be found in England, in Germany, in Italy, in France, and elsewhere. Even where a larger basis than a national one is sought, the approach is still national. The Continental steel cartel of Europe operates through an agreement entered into by groups first organized nationally. The International Chamber of Commerce operates through various national committees.

DISADVANTAGES OF NATIONAL APPROACH

The disadvantages of such an approach need little elaboration. There

remains in it the dangers of economic nationalism and the possibility of a resort to violence. German iron and steel magnates persist in feeling that they have common interests that are opposed to the interests of the French group across an invisible boundary line—the Franco-German frontier—and vice versa. At the meeting of the International Chamber of Commerce in Washington in May 1931, a frank discussion of debts was not possible.

The political debts themselves are sums due from one set of nationals to another, and even the so-called private debts are usually referred to in the same manner—as debts from the nationals of one country to those of another country. In Washington last year this obstacle was the more serious because each delegate was a member of some national group rather than of a strictly economic group. As a result, national sensibilities were kept to the front and accentuated instead of being subordinated and minimized. It is perhaps necessary for this organization to be an International Chamber of Commerce. Yet a world chamber of commerce would have a membership by industrial groups with no reference to political frontiers, and we may be pardoned for wishing that such an organization were in existence.

OBSTACLES TO WORLD ECONOMY

That there are obstacles to the development of a world economy is clear. In many respects, economic nationalism is stronger now than ever before. With restrictions increasing rather than diminishing on the movement of people, of commodities, and of investments, it would be foolish to indulge in mere idle dreams of a utopia. Problems are too pressing and too serious for ineffective speculation. State dominance is gaining ground, not merely in Russia, but in varying de-

grees in all other countries. In spite of its claims to an international outlook, socialism seems by its very nature to intensify national feeling. In fact, a hurried survey of the world scene is not encouraging to the lover of peace.

Yet there are a number of favorable

tendencies not to be ignored. There is no occasion to indulge in premature optimism nor to contend that universal peace is at hand. A race is on between those economic influences that make for war and those that help to assure peace.

No one can foresee the outcome.

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PAPERS PRESENTED TO

THE PACIFIC SOUTHWEST ACADEMY

A CENTER OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE

Edited by

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FOREWORD

THE Pacific Southwest Academy was organized in 1927 and in 1928 became a Center of the American Academy of Political and Social Science. The object of the Pacific Southwest Academy, like that of the American Academy, is to provide a forum for the discussion of political and social questions. It does not take sides upon controverted questions, but seeks rather to secure and present reliable information and to assist the public in forming an intelligent and accurate opinion. The Pacific Southwest Academy devotes itself specifically to the study and discussion of the political, economic, and social problems as these express themselves in the Pacific Southwest. It aims to utilize the findings of both academic and non-academic students. It holds four meetings a year at various colleges and universities, for the presentation and discussion of papers. The papers included in the present appendix have been delivered at various meetings in recent years. The Center is grateful to the American Academy for its generous and continued interest and encouragement, and to the editorial staff of THE ANNALS for the opportunity of presenting these materials to the readers of that publication.

CONSTANTINE PANUNZIO

INTRODUCTION

THE group of papers gathered together in this appendix deals with the problems of population growth. A consideration of the extent to which population can or will grow and of the importance of cultural forces in that growth makes the papers by Mr. Bryson and Professor Hoover of interest to the general reader as well as to the social scientist. Among students of world economics, concern is developing over the increasing pressures resulting from the numerous expansions of national economic interests. The papers on various aspects of imperialism treat problems which in reality are problems of population broadly considered. Population pressure increases the interest in economic nationalism upon the part of statesmen, parties, and whole peoples, thus limiting the prospects for world peace. In the light of these other contributions it is helpful to read the conclusions of Professor Kerner on "The Prospects of Peace in Europe."

ARTHUR G. COONS

Population and Culture *

By LYMAN BRYSON

Discussion by FRANK A. FETTER

THE mythologies of the world are crowded with unborn persons. These "souls" are a good deal more than empty potentialities of the future which have not, in the modern metaphysician's sense, "emerged." They have rights. They have responsibilities and are already footsore on the eternal pathways to heavenly bliss or hell fire. Since they have rights, they can demand satisfaction from those who have preceded them and have already acquired some control over the world through which all men must pass. They press upon the threshold of life. Maeterlinck, as modern myth-maker, expresses their shadowy pressure very prettily in the *Blue Bird*. Other versions have been less poetic. But, however expressed, the idea of these legions who are not so much lost as not yet found, has pressed on man's consciousness and given him an uneasy feeling that posterity demands certain things of each generation, the least of which is to be born.

THE RIGHTS OF POSTERITY

Denial of this right is a modern and a Western idea. A close and affectionate devotion to the needs of the present generation, including of course one's own self, is often called paganism; but it is in no sense paganism. Nearly all varieties of pagans have worshiped ancestors and worried about posterity. Except perhaps for one phase of primitive Buddhist thought which was comparatively ephemeral, man has

had to develop to his present stage to achieve this concentration on himself as a living and enjoying being, instead of thinking of his own tenure of life as a mere transition between fathers on one hand and sons on the other.

The sentiment is not entirely selfish. The modern and Western idea is that posterity is better off in the limbo of nonexistence unless it can enter the world in small enough numbers to have decent chances for happiness. Modern parents do not want simply children; they want happy children, well provided for in material and spiritual goods. If this sentiment were sufficiently widespread, there would probably be no population problem. But some great regions of the world are as yet untouched by it, and even in those culture areas most deeply changed by modern ideas, there are some classes which ignore it. Consequently we have *Mankind at the Crossroads*, in the phrase of Professor East; *Standing Room Only*, in the phrase of Professor Ross; and a good deal of genuine alarm among social thinkers.

It is possible to take this problem of selective population growth seriously, without falling into the shrieking excesses of the pseudo-scientists and the popular lecturers on eugenics. If the scientists can establish the principle that growth in modern forms of culture does have a retarding influence on population growth, the fact that this influence does not affect all classes and peoples alike would be expected. It would be merely an example of the cultural lag which is inherent in the nature of human societies. When we

* Address delivered before The Pacific Southwest Academy in January 1930 — EDITOR'S NOTE.

speak of a modern man or a backward race, we are generalizing a set of varying data. It did not require the researches of Sir James Frazer to point out that the most advanced of individuals live not only side by side with, but even immersed in the same complexes with other people who are existing in a cultural stage much more primitive. At the cultural center one hears the latest word. In the marginal areas—and no less in the marginal classes—one hears echoes of the past. If cultural development means a gradual slowing up of human fertility, that result must necessarily be reached in the centers first, while marginal groups lag behind. It is another of those questions. Which is the representative of the real America—the New Yorker or the “old lady from Dubuque”? And the answer must be that they are both America and that the “hillbilly” of Tennessee also comes into the picture.

There is an ethical principle involved here, too. The advanced races, or classes, cannot very well disengage themselves from those who lag behind. Baron Corvo once wrote a little fable, told him, he said, by his Venetian boatman, about the mother of St. Peter. San Pietro, it appeared, had had a hag of a mother and she was unfortunately spending her time in Hell while her illustrious son was gatekeeper of Paradise. The other saints chaffed San Pietro about his mother, and San Pietro complained at the Throne. The Recording Angel was instructed to find out if the hag of a mother had ever done one good deed. She had. Once she had thrown to a starving beggar the top of an onion she was peeling for supper. So they sent an angel to hover over the pit of Hell with the onion top in his hand. Soon the mother of San Pietro gripped it and the angel flew upward,

dragging her from the pit. But the other damned souls saw her going and clung to her skirts. The mother of San Pietro was mean enough not to want the others to escape also, so she took the onion top in her teeth and tried to beat them off with her hands. There was a whole pyramid of people being lifted from eternal anguish, looking very much, I suppose, as a real graph of culture progress would look; but the old lady got so angry because others were getting the benefit of her one good deed that she bit through the onion top and they all fell into fire again, including the mother of San Pietro.

Real progress, I suppose, cannot be at the expense of the other fellow.

Raymond Pearl, whose ideas about population growth must necessarily occupy a good deal of space in any discussion of the subject, has pointed out that “public interest in the question . . . appears to be one of the standard consequences of a great war.”¹ Malthus followed Napoleon as East follows the Kaiser. And this is not only because war has as one of its complex of causes the pressure of crowding peoples, but also because war disorganizes society and so makes us aware of the fact that there are too many people in the world, and that many of them are occupying places which we would like to have for ourselves.

THE BIOLOGICAL APPROACH

The present approach to the question may be roughly divided into two phases, the biological and the cultural. Professor Pearl says with carefully modified dogmatism, “plainly all growth, including that of population, is fundamentally a biological matter.”² Ross, on the other hand,

¹ *Biology of Population Growth*, p. 1.

² *Op. cit.*, p. 2.

thinks that the "advanced societies," including perhaps one sixth of the human race, have applied a "brake to their fertility."³ A brake is a cultural device.

This paper is not the result of any intention to decide between these differing points of view, nor to strike any balance between them. Its thesis, if it has one, is that in this problem as in many others, we must take man as a human being, not as mere animal. His humanity, his cultural activity if you like, leads him to manage the mental and physical phases of his life according to motives which are removed in varying degrees from the simple biological instincts. What gets him into trouble is the fact that even the most artificial motives may have biological consequences. This is fairly obvious, but it may be worth while to consider it.

Let us give attention first to the biologists. I have personally a very great admiration for Raymond Pearl—an admiration touched with the awe which comes from the occasional realization that I do not know what he is talking about. It may be in self-defense that I have come to think that he is not always quite consistent. He says:

The farther one has gone into the problem the more apparent has it become that the human population question is not to be solved by a study of human material alone, and particularly of human material derived from the highly civilized and industrialized countries of Western Europe and America.⁴

The reader suspects this of meaning that biological factors in population growth are not only important but actually outweigh the others. This is confirmed by Pearl's continuing remarks that experimental methods

and mathematical interpretations must be used, and the final

probably a real understanding of the problem . . . is going to come more from the intensive study of lower forms of life in the laboratory, under physically and chemically controlled conditions, than from any manipulation of never quite satisfactory demographic statistics.

Aside from the gentle animus in the word "manipulations," this is a fair challenge.

THE CYCLE OF GROWTH

What then have Pearl and his co-workers, from Verhulst to Parker, actually found out? First, that non-human organisms, given the maximum of food supply, grow at a rate which can be plotted in a characteristic curve. When a certain density is reached, fertility begins to diminish although there is not yet any lack of food nor any difficulty in getting at it. This would seem to mean that there is a biological optimum which automatically establishes itself for any set of conditions, and that the optimum is less than the greatest possible number which could exist on the given food supply.

The idea is interesting and vaguely reassuring. The biologists do not hesitate to develop its reassuring aspects into a further "law." Pearl says that "human populations grow according to the same law as do the experimental populations of lower organisms."⁵ That is to say, the demographic records of any group of people can be fitted to some position on what is called the logistic curve, the characteristic mathematical picture of population growth. Here I believe it is necessary to quote Pearl in full:

Growth occurs in cycles. Within one and the same cycle, and in a spatially

³ *Standing Room Only*, p. v.

⁴ *Op. cit.*, p. 4.

⁵ *Op. cit.*, p. 208.

limited area or universe, growth in the first half of the cycle starts slowly but the absolute increment per unit of time *increases* steadily until the midpoint of the cycle is reached. After that point the increment per unit of time becomes steadily *smaller* until the end of the cycle. In a spatially limited universe the amount of increase which occurs in any particular unit of time, at any point of the single cycle of growth, is proportional to two things, viz: (a) the absolute size already attained at the beginning of the unit interval under consideration and (b) the amount still unused or unexpended in the given universe (or area) of actual and potential resources for the support of growth.⁶

This is a statement of scientific value because it is an exact description of phenomena. It is also philosophic in being a laborious analysis of the obvious. To the mind of a somewhat puzzled and defensively impudent layman, it suggests two questions. First, is the mathematical arrangement of the data of any significance? Second, does he not beg the point at issue at the end of his paragraph?

The first question is equivalent to asking, Has the king really got a shirt on, or hasn't he? In the old tale it was the unimpressed mind of a child which pointed out that the courtiers were deceived by their own conventional deference and were exclaiming over the magnificent robes of the king, when as a matter of fact there was no robe there at all. This is an exaggerated analogy. There is something in the biologists' curves. But does the recurrence of the same shaped curve in all statements of growth in time really prove something about populations, or does it merely prove something about mathematics?

It is unnecessary to remind ourselves that statistical diagrams are not facts but pictures of facts. Like all pictures, they are expressions of truth

by means of a set of logical conventions. Two-dimensional curves, plotted by methods of probability on the inviting squares of cross-section paper, are about as conventional and artificial a way of making a picture of truth as man has ever invented. I am not questioning their value or their internal logical coherence. But enthusiastic scientists, in the white glow of a fever which they would perhaps want to describe as impersonal accuracy, are likely to forget that their pictures are made of arbitrary elements.

Take the essential facts, three dimensional—if I also may be allowed to think analogically—which constitute population growth, whether it be the growth of yeast cells, fruit flies, Algerian Mohammedans, or Southern California Mexicans. In the first place, it is growth. That is to say, it is motion in a constant direction at varying rates of speed. Cases of actual *decrease* in population are not fitted to the "logistic curve."

SPEED OF GROWTH

The variation in the speed of growth is due to factors still somewhat obscure; but the variation is obvious, and the biologists themselves say that this variation results from impulsive influences which from time to time enter the environment of the growing population. These impulses must necessarily have a period of maximum effect and then lose their impulsive force. We have decided to diagram this by measuring growth in vertical units and time in horizontal units. This method, of course, has no special fitness for the data of human societies or any other kind of data. Its fitness lies in the fact that it makes of any data expressible in two concomitant movements, such as size and time, an easily understandable picture.

Given this situation, what must

⁶ *Op. cit.*, p. 22.

necessarily come out of it? To my irreverent childlike mind, remembering the king's shirt, the only possible result will be a curve which jumps upward as the impulse toward fast growth is applied, and then gradually levels itself as the impulse dies down

As I have said, this is very valuable as an exact description of phenomena. The difficulty is: Can the shape of that curve be used as a basis for prophecy? Professor Pearl thinks it can. In dealing with the slippery demographic records of Algeria, he says:

Taking all the available evidence together, it appears to me unlikely that, during the next twenty years, which is as far ahead as I should care with any seriousness to predict, the native population will grow much if any beyond the upper asymptote of 5,379 millions predicted by the equation.⁷

Now this sounds very much as if this cycle—this example of how the human mind tries to grasp a set of facts and analyze them into an arbitrarily intelligible picture—were going to exercise some control over the population growth of Algeria. If Professor Pearl himself really believed this, it would be of tremendous importance. It would mean that no matter what cultural elements entered into the Algerian situation, the Algerians would increase only to a certain natural maximum and then pause. But I very seriously doubt that Professor Pearl believes anything of the sort. He seems to me to be only making diagrams. On the next page he says:

It needs to be pointed out once more that the predictions of the future growth of the native population may at any time be altered by the entrance into the situation of new economic or social factors, of a different sort to those which have operated during the past period which the equation covers. The population may be stimulated

to start upon a new cycle of growth, or slighter, but still in kind new factors, may alter somewhat the upper limiting value of the present cycle. Such a factor which might conceivably have stimulated population growth was the law of February 4, 1919, which gave political rights to certain portions of the native population.

Is this not the same thing as saying that the biological curve would work out if cultural elements remained the same? And is that not another way of stating that data derived from the laboratory, from controlled experiments with fruit flies, would have some meaning in demographic interpretations if it were not for the obstinate tendency of men to be men and not fruit flies? Any impulse to the forward movement of population must make a cycle of growth unless some other impulse interferes with it, and then—in Pearl's terms—a new cycle begins; but the impulses themselves—the influences which make the line wiggle as we plot it across the cross sections which we call units of time—are those which result from man's cultural history.

This is not—let me hasten to say—the same thing as stating that growth in the number of human beings in any society, or over the entire earth, is due entirely or perhaps even in large part to voluntary control. In fact, the most interesting and significant aspect of human behavior is that man does certain things for motives which are highly conventionalized expressions of his fundamental tendencies, so modified sometimes that he scarcely knows their primitive character; but in spite of their artificial modification, these actions often have biological consequences.

APPLYING THE "BRAKE"

Ross, sociologist rather than laboratory biologist, speaks of the "brake"

⁷ *Op. cit.*, p. 75.

which one sixth of mankind, the upper sixth in advancement, has applied to its fertility. This is the sixth portion which has developed furthest in sanitary and therapeutic knowledge, and so has cut down most effectively its death rate. Therein are two serious problems. About half the human race, made up mostly of the Chinese and the East Indians, is pushing its population growth to the absolute limit of subsistence. This limit is being raised by the introduction of Western sanitation, through motives of missionary benevolence and by industrial methods. The populations of both these great empires were much more nearly static, it is believed, before the West brought advantages along with imperialistic exploitation. By pressing constantly against the increasing store of food and means of life, these Eastern peoples, Professor Ross thinks, threaten to overwhelm the Western world. In the West there is a still greater store of subsistence, but the Westerner wants a larger share for each person in the world, so he is anxious that there shall not be so many persons.

The same situation as existing between economic and social classes in the Western societies, is the second problem. The advanced groups want more for each living person, so they restrict their families. The lower classes press upward against the bare limits of existence.

In passing from the thought of a biologist like Pearl to that of a sociologist like Ross, one moves into a more heated atmosphere. Pearl is willing to dissect, even to plot curves, of the obvious. Ross wants to reduce to obvious formulas some things which might better be studied for a while longer. The population sum of China, for instance, is a figure at which any one can make a guess: Who knows?

At least one lengthy and learned paper has been written to prove that China's population figures are still static. Ross thinks that if this population pressure is static, it can only be because calamities of various kinds kill off the marginal thousands. Japan, it may be noticed, with a similar culture and fewer calamities, although Japan is by no means a lucky land, grows very swiftly. India, having a similar ancestor-and-progeny complex, has, by the aid of British oppression, greatly increased in numbers. Java, a smaller but similar group, encouraged to growth by the tyranny of the quietly imperialistic Dutch, simply pullulates.

Religions, or pseudo-religious ethical concepts—ancestor worship in the popular term—are largely responsible, in Ross's opinion, for this productiveness in the East. Adhering to these, perhaps as part of the same culture complex, is the subjection of women.

SEX LIFE OF VARIOUS CULTURES

Katherine Mayo, who has given the clubwomen of America such an orgy of delicious shudders, does not think—she *knows*—that the increase is due to the vicious sex appetites of Hindu men. Miss Mayo has not yet gone to China to be horrified. Given the energy which she has already displayed, and the enterprise of her publishers, we can take that Chinese book for granted, although not yet written.

I should very much dislike to say anything which could be taken as approval of Miss Mayo's sensationalism. I know and respect too many Hindu gentlemen for that. But Miss Mayo did at least get a glimmering of one fact which I think is indubitable. The sex life of Eastern peoples (and this applies equally to Pearl's Algerians) is more ardent and sustained than

the sex life of the West. Sublimation in the Freudian sense seems never to have been fashionable with Asiatic peoples or peoples in any closely related culture, such as those of North Africa.

We in the West are inclined to associate sexual power and sexual attentiveness with other forms of virility. It is the opinion of some medical observers that the so-called "refined" races have much greater sexual power at their present stage of cultural and physical development than have the Westerners at their respective stage. It is perhaps not the untutored savage who is the "sexual athlete," to borrow a term from Havelock Ellis. The savage, many anthropologists are inclined to think, has his dances and tomtoms and "Batouala" rituals not to check or express or expurgate his sexual activity, but to stimulate it.

This only suggests the extreme complications into which an inquirer falls if he tries to avoid Miss Mayo's pious horrors or Dr. Ross's rather too easy generalities. Is the phenomenon of fertility in India (or China) mostly cultural? Is it due to the social and religious desire for progeny? Or is it economic, since Pearl and others have very convincingly shown that sexual amusement in all countries and classes will nearly always be resorted to if meagerness of opportunity makes other amusements impossible? Or is the religious desire for progeny nothing more than a rationalization of a normally powerful sex impulse?

We have no way of separating from each other the complicated set of factors, part physical, part psychological, now completely integrated into the personality of the Hindu or the Chinese or the Arab, so that his body expresses his ideas and his ideas arise naturally in his body.

It may be respectfully suggested that such a question cannot be answered by a journalist like Miss Mayo, nor even by a sociologist like Ross. It must be addressed to the anthropologist, who is still an infant paddling around in the shore surf of the limitless ocean of truth.

DIFFERENTIAL FERTILITY

The same difficulties are to be found, more or less, in trying to get at the other problem, the selective fertility among classes which makes the lower groups increase faster. People who enjoy comparative wealth in modern times, Pearl thinks, are comparatively infertile. Also, there is a definite retardation in fecundity among intellectual classes—even if they are not too intellectual to embrace the hazards of marriage.

This would be a more terrifying thought to me if it were not for a notion that this process has been going on from the beginning of time and that our so-called "higher orders" have always been recruited from below. Societies have always been dying off at the top. And this process has paralleled the whole cultural history of man. The alarm of the more chautauqua-minded eugenicists—like Wiggam, for example—appears to have the taint of the "Golden Age" illusion on it. The world has always been going to the dogs because men and women have always been getting old. As a dear old lady of about eighty said to me a few days ago, with earnest and cosmically generous tears in her eyes, "It does seem to me that the world is really coming to an end."

The eugenicists have a point, however, in their observation that modern life-saving magic does preserve a larger proportion of the infants of the poor and the dispossessed. Relative fertility in the poor results in an actual

relative increase. Even so, I cannot be so much alarmed as they. Their assertions that there is a definite correlation between unfitness for society and fecundity do not stand up under the questioning of such a mind as Pearl's. Poor morons have a good many children; so also do poor people of ordinary intelligence. And rich morons do not have large families. The correlation appears to be between economic status and fertility rather than between intelligence and fertility, unless there be some correlation between intelligence and economic status.

The eugenics alarmists have failed as yet to give us any satisfactory standards of discrimination. The danger of permitting anything like public opinion to decide who and what shall be born is pointed out in Haldane's *Daedalus*—still more in Russell's *Icarus*. When we have become so civilized that all children are produced by ectogenesis as Haldane anticipates, I doubt very much if we shall have arrived at any rational basis for deciding exactly what sort of posterity we ought to have.

But we do see a fact or two in this welter of speculation. There is a relation between economic status of classes—perhaps also between the economic status of societies—and fecundity. Richer parents and richer peoples have fewer children. And we, who belong to the richest society on earth, can maintain ourselves against the growth of the poorer racial groups, Professor Ross warns us, only if we stop helping them with sewers, railroads, and famine relief. Otherwise, since we do good mostly for our own good after all, and will continue for our own satisfaction, we must confine their growth by erecting firm barriers between our land and theirs.

Our cultural penetration, Ross thinks, need not encourage these Eastern peoples to overwhelm us if we give

them freedom from priest-ridden religions, freedom especially to their women, and a higher standard of living. Freedom from priestly admonitions to multiply and master the earth, whether from the Laws of Manu or the self-conscious lips of Mussolini, can be gained only by education. Freedom for women, the abolition of purdah and harem, is also to be achieved by education. If modern Christian ethics have any real superiority over the ethics of other faiths, it is beyond question in that these modern Christian ethics have released the power and energy of women.

Both these freedoms, religious and sexual, will be gained by education, certainly, but not unless education is made possible by economic improvement. How can economic improvement be attained? By education and the freeing of women. The circle is not vicious, however, and it can be broken. By gradually raising the standard of living of the so-called backward peoples, we may be doing them the greatest possible good. That may be the way by which we shall lift them out of the misery which results, not altogether but in part, from the fact that they produce more children than they can feed and educate.

This suggests that when an anthropologist like Clark Wissler says that missionaries and traders work hand in hand for the same fundamental motive, he is not so ironic as shocked readers would suppose. His statement suggests even that the trader may possibly be the more beneficent of the two partners in "doing good to the benighted heathen."

ECONOMIC OPPORTUNITY AND FERTILITY

Now I should like to do a little analyzing of the obvious on my own account. How does it happen that raising the economic status of a group,

either a class inside a developed culture or the whole of a "backward" society, may through the "brake" of cultural motives cut down fertility? Why should not the increase in economic opportunity merely be taken as an increase in opportunity for parenthood? The answer is, of course, that it is—at first. India in the nineteenth century is an example at hand. Java is even more striking, because the forty million robots which the Dutch have slaving for them in Java seem to grow faster in numbers and less in ideas. The populations of the United States and England, with local modifications, have done the same thing.

Perhaps we have here a little cycle all our own. Without trying to plot it on a curve, which Dr. Pearl might suggest would probably show that it didn't exist, we can speculatively state it thus:

First stage—an economic stringency in which both luxuries and necessities, all the elements of subsistence, are hard to get;

Second stage—a relative cheapness of more necessary things such as simple food, clothing, and shelter, but great paucity and expensiveness of secondary elements, or luxuries;

Third stage—increasing expensiveness of necessities and relative cheapness of luxuries.

Our "logistic" curve of population growth begins in the second stage. The reasons are many. Fewer children die of starvation and malnutrition. Parents are better fed and can both produce and care for more children. And they want more children. Motives are numerous, but one may be suggested. In this second stage children are economic assets. They are cheap labor. Education is beyond reach, more than simple comfort impossible, and forms of vanity other than patriarchal and matriarchal power

are not easily indulged. Children are assets and there is nothing to do with them but put them to work at an early age and take their earnings.

In the third stage, the standard of life has been raised much higher and the curve begins to flatten out. Such a change has then taken place as may be compared to the difference between the standards of life in England in 1714 and in 1914.

ILLUSTRATION FROM ENGLISH HISTORY

Prices at various stages of history are tricky things to deal with, but if we can rely on the records, this two-hundred-year interval in the history of England raised the standard of living for the English people by making luxuries comparatively cheap while necessities became more and more expensive. A comparison or two will illustrate my point. In 1714 a very good suburban house could be had in London (not a poor man's house but one fit for a gentleman) at a rental of ten pounds sterling a year. Allowing for a difference in money values, i.e., multiplying two and a half times, this would be comparable to a rental in 1914 of \$125. A similar house in 1914 would have cost at least six or seven times as much, say \$900 a year.

In the matter of another chief necessity—food—the comparison is similar. In 1714 there were "ordinaries," fixed-price restaurants, in London which charged as little as tuppence for a meal. A five-pence ordinary was considered respectable. This five-pence ordinary, allowing for the same differential, would be a twenty-five-cent complete meal. So far as one can judge, that was a third or perhaps a fourth of what the same meal would have cost an Englishman two hundred years later. Food was a third or a fourth as expensive in 1714 as it was

in 1914, and rents were one sixth as dear.

What has this to do with population? Only this: The pressure of population on subsistence will be to the very limit if the economic cycle is at the point which makes necessities comparatively cheap and luxuries impossibly dear.

To be sure, the average income in England in 1714 was very low if looked at through our eyes, although sweating had not yet begun on a large scale. But the average income would have had to be very much greater to bring luxuries at all within the range of the average family. The fine gentleman of 1714 was quite capable of investing the equivalent of \$500 in a periwig. Nowadays, or in 1914, he might, if extravagant, have paid \$10 for a hat. The periwig was a luxury. A watch was worth \$125. A doctor—surely a luxury in those days—charged about \$12 a visit. Traveling cost the equivalent of 8 or 9 cents a mile, and if a man had an equipage of his own, he might spend as much as \$12,000 on it in modern money values. If one had glass in the windows of a house or a coach, ordinary panes cost about \$3 a square foot—more than heavy plate costs now. A letter, a luxury again in the economy of that time, cost about \$1 under conditions which would now make it cost two cents. But the item most illuminating to me is the newspaper as compared with food. One could get a fairly good meal in London for the price of a newspaper; that is, 10 cents in modern money values. Nowadays, our newspaper costs an unappreciable fraction of the amount we pay for our food.

Then the industrial revolution struck England and worked its way through the cycle of growth that came to a smash-up, if not an end, in the Great War. The first effect of the industrial revolution, as everybody knows, was

an enormous increase in England's population. The speculative hypothesis applies in this fashion: I am inquiring whether or not the industrial revolution began its effect upon the lives of the people by making children an economic asset. Fundamental necessities were not really cheap, perhaps, but luxuries were entirely out of reach. Then, as the industrial revolution worked through its accelerating cycle, luxuries became comparatively very much cheaper, children became less and less an economic asset, and the standard of living had its effect as a retardation on population. It not only made luxuries cheaper, but also immensely increased the whole range of luxury spending.

Our grandmother's will gave her best walnut bed to her beloved daughter Annie, her second best rag carpet to her beloved daughter Myrtle, and so on down through her six daughters, seventeen granddaughters, five sons, and thirty-two grandsons. She had many descendants, and something in the way of a necessity to leave to each one. When the modern woman gets to the grandmother stage—if ever—and makes a will, she can bequeath only her lease on a furnished apartment to her granddaughter, there being no other descendant, probably, and the actual property transferred will consist of golf clubs, radios, automobiles, victrolas, hipflasks, and telephone numbers. All her life long, a very large part of her income will have gone into rent and food, but she will always have enjoyed a margin with which she really constructed the warp and woof of her existence. And she would find it very difficult to imagine living without the luxuries, or to see the good sense of any parent who would bring a child into the world for whom a well-equipped place did not already exist.

When cultures arrive at the third stage, when necessities are comparatively dear and luxuries within the reach of nearly every one, then a really high standard of living has been established and its effect is to slow up population growth rather than encourage it.

CHANGING MOTIVES

This sort of an analysis, besides being merely speculative, is not a basis for any sound conclusions, because it takes into account a very small part of the known data, to say nothing of the vast residuum of things still unknown and mostly unreachable. In so far as it has any use at all, it helps to indicate that we may some times get farther with this business of understanding ourselves, both as individuals and in the mass, by realizing the extent to which man's motives change under cultural growth, while his biology stays constant. That is the principle with which I began. Culture is, I believe, as much a shift in motives as it is a continuously perfected technique for meeting fundamental needs. The fundamental needs almost cease to have any importance in a culturally mature society. Everybody could satisfy just the need for food and shelter and sex, if he wanted merely those things in their biological rawness. One is scarcely aware of them, because they have been overlaid so thickly with a constantly changing veil of ideas and patterned values.

Remy de Gourmont was probably over subtle in suggesting that civilization is after all only the process of dissociating processes from their natural justifications. But there was something in the theory. The civilized man eats for the pleasure of taste—not to stifle hunger. He builds a house to impress his neighbors—not to keep out the rain. His sexual conduct would

scarcely bear discussion from the point of view of the great-grandfather of *pithecanthropus*. And yet, whatever his motives, his only way of enjoying the artistic pleasures of taste is to fill his stomach with food, and his stomach is a biological drag. And even the most artificial of women occasionally finds herself embarrassed by the vulgar necessity of bearing a child.

Except for occasional lapses in the cultural progress of humanity when there is a temporary reversion to a mere biological existence, this transmutation of motives will go on. The chief effects of culture on biology will be indirect, not intentional.

This suggests that we need not waste much time trying to argue with people about the biological consequences of their highly artificial modes of life. All human modes of life are highly artificial, for highly artificial reasons. Any generation may be lucky enough to produce a few thoughtful men or women who can get a grasp of the whole of this tricky equation between shifting values and stable physiology. They may initiate cultural attitudes with the definite purpose of avoiding trouble for all of us. But their suggestions must, as the anthropologists know, fit easily into established complexes, or they will be stoned for their prophecies.

CONCLUSIONS

Have we then any conclusions at all to offer?

As to the purely biological nature of population growth, even the biologists fence in their dogmas with so many provisos in regard to cultural influences that we can say, I believe, that population growth is not fundamentally biological at all. It is a resultant in which the two factors, physiology and psychology, act together. Since neither

can ever be extricated for separate study, it is useless to attempt any allocation of comparative weight. Perhaps it is another phase of the most futile of pseudo-scientific arguments, Which is more important—environment or heredity? If twelve multiplied by three equals thirty-six, which is more important—twelve or three? And if we begin with the phenomenon of thirty-six, how are we to decide that it was not the result of 4×9 or 6×6 or 2×18 ? The biologists presume that fruit flies have no psychology. They may be right, although it seems to me a very rash guess. At any rate I know that men are human.

The problem of population growth is given an international aspect by the inherent expansiveness of Western civilization. Laws and objections will have little effect on those movements. Our hopefulness comes from the fact that they are partly economic and do result in changing the economic phases of the cultures into which our own civilization is thrusting itself. If we can keep our tempers, internationally speaking, even the slogan attributed to the tobacco trust—"a cigarette in the mouth of every man, woman, and child in China"—may play its part in

bringing the Chinese people nearer the beatitude of small families through the stimulation of their economic appetites.

As for the class problem, a parallel is evident. "Race suicide" is a shamanistic cry out of barbarism. Modern industrial life may be unsatisfactory. I have a good deal of personal sympathy with those who groan under its oppressive necessity to consume, consume, consume, so that production may be maintained. But modern industrial life does give the relatively poor an increasingly wider range of spending opportunities. The more radios and automobiles, the fewer children.

The population problem, I believe, is to be solved along with all the others by an attack upon the problem of human progress as a whole. Wars, famines, lectures, scientific papers, and other public calamities are of varying degrees of efficacy but mostly ephemeral in their effects. The logistic curve of human change will be the resultant of our efforts to better our own lives, and it will have a handsome shape if those efforts are intelligent enough to include the betterment of all the other lives of this generation as well as our own.

DISCUSSION BY DR. FETTER

It has been a delight to listen to the reading of this paper in which the writer has shown how to attain the well-nigh impossible—to pursue scientific truth in a scientific spirit but with literary grace and the play of wit. Attendance at conferences on themes sociological (in the generous sense of that word) is often excruciating and exhausting, for one finds himself in a state of strained protest against so large a part of what is so confidently presented. But agreement with this paper is so (nearly) complete that it alarms me—I fear that I may be losing my batting eye. I am partially reassured by the thought

that the speaker is just a primitive anthropologist and not a sociologist, or, praises be, not a modern biologist of the Raymond Pearl type. Only one implication stirred in me a note of dissent, to wit, that there is no correlation between intelligence and economic status. Here the speaker must have meant by economic status merely amount of property or of income; for if anything is established by wide observation and special psychological studies, it is that there is a remarkable correlation between intelligence and occupational choice and occupational efficiency. But let that pass.

Since I wrote a doctoral thesis on the

Malthusian doctrine thirty-five years ago, I have never ceased to follow with great interest the discussions on this theme. The writer of the paper approaches the subject in a novel way and, as a disinterested arbiter, with clearer vision and judgment than if he had been trained in, or identified with, either of the two schools of opinion regarding population which he mentions; namely, the biologic and the psychologic. But despite his sincere disclaimer of any intention to decide between these differing points of view or to strike any balance between them, he really has thrown the whole weight of his unbiased wisdom as a student of social institutions into the scale in favor of the psychological conception and solution of the problem. For that is the true significance of his emphasis upon the anthropological factors of manners and customs and changing ideals in relation to the standard of living and to the birth rate.

POPULATION GROWTH MORE THAN BIOLOGIC

There is an astounding anachronism in such a crude attempt as that of Professor Pearl to treat the problem of the net growth of human populations as if it were merely biologic on the level of the insect world. He seeks to carry us back to a pre-Malthusian era of thought, to a conception even cruder than that of Malthus. That such superficial dogmatism should "tickle the ears of the groundlings" is to be expected, but it is surprising to find that it has been given serious attention even by some students of economics, though perhaps mainly by those majoring on the com-

mercial side of the subject. The great error of Malthus was that (writing in 1798) he saw hardly beyond the biologic phases of the problem, and conceived of the movement of population as resulting from non-psychological forces such as a fatalistic birth rate and an objectively determined food supply.

But even Malthus recognized, however dimly and inadequately, the human factors of manners and motives, and since his time all the progress toward well-balanced thought on this subject has been essentially through the fuller and better appreciation of these distinctively human elements in the problem. Darwin's application of the more elemental portion of the doctrine of Malthus to explain the adjustment of the numbers of the lower animals to their environment is a larger and fuller truth than is the Malthusian doctrine, just because it consistently leaves out the peculiarly human aspects of the problem; that is, society, customs, volition, and human nature. It views each animal species as driven fatalistically to dash itself against the cruel barriers of famine, pestilence, and mutual destruction.

Now we have the spectacle of the biologist, badly untrained in the elements of thought in the social field, endeavoring to reduce the complex problem of human population to the size and content of a bottle of maggots in his laboratory. Absurd analogy and ignorant speculation may for a time masquerade as scientific thought.

"We have learned to bottle our parents twain in the yolk of an addled egg."

Truly, Pearl is—just Pearl; but this paper is a gem.

Mr. Lyman Bryson, editor and author, was director of the San Diego Museum at the time this address was delivered. Since 1929 he has been executive director of the California Association for Adult Education.

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The Quantitative Optimum of Population*

By GLENN E. HOOVER

Discussion by KENNETH DUNCAN

BY the quantitative optimum I mean the number that is most desirable for the attainment of some particular end or goal. For Plato it would have been that number which could be organized into a model city state. For a Marshal of France it may be a number equal or superior to that of Germany. Some theologians believe that the greater the number of souls, the greater the glory of God; and logical pessimists would rejoice at the prospect of racial extinction.

This paper deals with the quantitative optimum which should prevail were we to consider only our material advancement. This is not to imply that economic advancement is the greatest need of any country, or should have precedence over military security or the fulfillment of religious obligations. The restricted field of this paper is to consider the optimum from the point of view of those who assume that a maximum of creature comforts is worth seeking. Our optimum will be attained when, whatever the methods of distribution, per capita production and per capita consumption are at the highest point attainable. This definition is quite arbitrary, but some standard must be selected if the terms "overpopulated" and "underpopulated" are to be rationally employed.

VIEWS OF POPULATION EXPANSIONISTS

This concept of the optimum will be unintelligible to some, and will be opposed by all who believe that any in-

crease in numbers means an increase in national wealth and national well-being. These people assume that any change in population which increases the total national product is desirable. They naively neglect to divide the total wealth by the total population, and forget that the size of the cake means nothing until we know the number which must divide it. Failure to do this leads to the conclusion that the people of India or China are better off than those of Switzerland or Holland.

Others have contended that an increase in population is an economic gain so long as each additional unit produces more than he consumes. This reasoning involves the same fallacy as the test of national wealth, and it is strange that so acute and liberal a thinker as Bertrand Russell should subscribe to it. Yet he says with all confidence: "Under socialism, the immigration of any person who produces more than he or she consumes will be a gain to every other individual in the community, since it increases the wealth per head."¹ The fact that an immigrant produces more than he consumes will not necessarily increase the wealth per head unless we look upon him as an outsider and count in his produced wealth but not his head. It is by such computation that per capita wealth is high in slave societies.

A similar argument is often used in behalf of the unrestricted immigration of Mexican peons. They, too, produce more than they consume, and the excess generally goes into the pockets of

* Address delivered before The Pacific Southwest Academy in January 1930—EDITOR'S NOTE.

¹ *The Problem of China*, p. 191.

either their white employers or white tradesmen. It is further contended that they do not really compete with white workers, since they do work the white Americans will not do. Their coming, then, does not drag American labor down but lifts it into the higher levels of skill and administrative ability. Mexican immigration is a sort of wedge that is driven between the solid earth and the lowest stratum of American society, and the whole structure is lifted upwards. The peon's presence improves the position of every white American, and the peon, by coming, has improved his own position. Every one has gained, no one has lost. This, in short, is the substance of the siren song of all those who wish to introduce into our country the cheaper labor from Europe, the peons, or the coolies.

Such logic is impeccable, but the premises are faulty. The immigrants do not long remain a noncompetitive group. From the very first, they compete with the unskilled and the unorganized American workman and he is dragged down—not lifted up—by their arrival. Later they compete with the skilled and the organized, with small landowners and shopkeepers, and those powerful classes will adopt a restrictive policy more drastic than the disorganized and the weak ever contemplated.

POPULATION OPTIMUM NEGLECTED BY SCIENTISTS

It is to be regretted that the quantitative optimum has found so little place in writings on population problems. In Professor Reuter's book, *Population Problems*, the concept is not even mentioned. East's *Mankind at the Crossroads* deals chiefly with the dangers that will be encountered if population continues to increase at the present rate. Ross in his *Standing Room Only* merely skirts the problem of the optimum when he enumerates cer-

tain indications of population pressure. Pearl contents himself with showing that population cannot and will not continue to increase at the present rate. Thompson in his *Population: A Study in Malthusianism* is content to show that we have passed the point of diminishing returns in agriculture in the United States and have probably passed it in industry too, if we charge to modern industry all the social costs which it entails.

Far too much time, it seems to me, has been given to predicting the population of the world a hundred or five hundred years hence, and whether or not the increase can be fed by developing the reindeer industry, abandoning wheat for rice, or going on a diet of synthetic food tablets. Such musings are more enjoyable than instructive, and shed no light at all upon the quantitative optimum.

The best brief treatment of the quantitative optimum is in a paper entitled "The Optimum Size of Population," by Professor A. B. Wolfe. This was first read at the 1924 meeting of the American Statistical Association and was published, with the other papers read at that meeting, in a book entitled *Population Problems*, of which Louis I. Dublin, statistician of the Metropolitan Life Insurance Company, was the editor.

The quantitative optimum as Professor Wolfe has defined it and as the term is used in this paper, that is, the number which will result in the highest per capita production, is perfectly definite and comprehensible as a concept. The difficulty arises when we attempt to determine if and when such optimum has been reached. Many insist or assume that so long as the standard of consumption is rising, the optimum cannot have been exceeded. This is fundamentally fallacious. The utilization of new lands and new tech-

nique may have caused a steady increase in per capita productivity, even though our population has long passed the optimum. The population expansionists, to prove their point, must show that the rise in the standard of living which distinguishes the nineteenth and twentieth centuries was due in part to the population growth, or at least that such growth did not hamper the advancement in the standard of living.

Any quantitative optimum must have reference to a fixed area of land and to a given set of techniques. The optimum for a people in the hunting stage of culture will no longer serve when that people passes into the agricultural stage. The development of irrigation, the use of artificial fertilizers, the improvement of agricultural machinery—all these things influence the quantitative optimum. A whole list of dynamic factors have resulted in increasing per capita production in the past century and a half, but it is childish to assume that our population density has been such at all times that society has received the maximum benefit from these improvements. It may well be that conditions would have improved still more rapidly if population had grown more slowly.

THE LAW OF DIMINISHING RETURNS

The concept of the quantitative optimum has been hopelessly confused by a hazy understanding of the principle or law of diminishing returns, more properly referred to, perhaps, as the law of factorial proportion. This principle or law merely informs us that on a given area, with a fixed technique of production, additional units of population cannot be added indefinitely without reaching a point where their product will no longer be proportional to the increase in numbers. The point of diminishing returns will be

reached and production will enter the sphere of decreasing returns as those terms are normally employed; although we must realize that total returns do not actually diminish, but are merely no longer proportionate to the increases in the population.

This principle of diminishing returns may be clearly understood if we confine our attention to a particular farm or factory. Here the point of diminishing returns can be estimated with reasonable accuracy, and every intelligent farmer and business man must make such an estimate. He must be able to estimate the productivity of additional units of labor. An employing farmer should know if four employees will produce twice as much as two. On both farm and factory, the value which can be attributed to the product of the marginal man must be known; else it is impossible to tell how far to expand or contract the number of employees.

This law of diminishing returns as applied to a fixed area and a given technique is so obviously true that it scarcely admits of discussion. We have elaborated it only to show how it has confused our thinking with respect to the quantitative optimum. Unfortunately it has been generally assumed that because the per capita productivity of labor has been increasing for several generations, that fact alone proves that the point of diminishing returns has not been reached and the quantitative optimum has not been passed. It of course proves nothing of the kind, as the increased productivity has been due to the utilization of the New World lands and the advance of science.

DECLINE IN AMERICAN AGRICULTURE

But although the law of diminishing returns has been misunderstood and misused, we must not fail to make

proper use of it. The first question that arises is, To what extent has production been pushed beyond the point of diminishing returns on the various farms and factories in the United States? To answer this question we need not depend on inadequate and unreliable data. The answer can be derived by deduction, with the certainty of a mathematical demonstration. We have passed the point of diminishing returns on most of the farms in the United States, and here is the proof.

Let us take the production of wheat for example. One of the most striking facts about the land devoted to wheat in any season is the great difference in the productivity of the various grades. The utilization of these different grades proves that the point of diminishing returns has been reached on all but the lowest grade. The fact that the better lands yield a rent proves the same thing. This is an elementary principle of economics too often forgotten by those who have paid it the lip service of acceptance. Taussig states it as follows:

Unless there were a tendency to diminishing returns from any one plot of land, there would be no such thing as rent. If the better sources of supply could be pushed indefinitely without lessening of yield—if more and more labor and capital could be applied to a given plot of land and could always bring an increase of product proportionate to the additional outlay—then those better sources of supply only would be resorted to.²

Marshall is of the same view:

This tendency to a diminishing return was the cause of Abraham's parting from Lot and of most of the migrations of which history tells. And whenever the right to cultivate land is much in request, we may be sure that the tendency to a diminishing return is in full operation. Were it not for

this tendency every farmer could save nearly the whole of his rent by giving up all but a small piece of his land, and bestowing all his capital and labour on that.³

Those who are not satisfied with the deductive proof that agricultural production in the United States has passed the point of diminishing returns should follow the statistical proof in Warren S. Thompson's *Population: A study in Malthusianism*. He shows by official statistics that during the period 1900–1910 there was an increase of 44 per cent in the quantity and the quality of the means of production, other than land, used in agriculture in the United States, while the increase in yield per acre was only 6 per cent for corn, 7.5 per cent for wheat, and 7.7 per cent for potatoes. He summarizes the result of his study as follows: "It seems impossible not to conclude that the law of diminishing returns has commenced to operate strongly in the agriculture of the United States."⁴

Thompson is also most dubious about there being any such increasing returns in industry as will offset the decline in agriculture, if there are charged against industry all the social costs of police and fire protection, unemployment, industrial accidents, and the other evils that are necessarily involved in industrialization and urbanization.

HAS THE OPTIMUM BEEN REACHED?

We cannot, however, conclude that because the exploitation of most farms has been pushed beyond the point of diminishing returns, the United States is overpopulated; for the quantitative optimum must be determined by measuring the per capita productivity of the population in its entirety, and not that of wheat farmers or any other

² Taussig, *Principles of Economics*, 3rd ed., revised, Vol. 2, p. 66.

³ Marshall, *Principles of Economics*, 8th ed., p. 151.

⁴ P. 138.

class. Diminishing return in agriculture is indeed indicative of overpopulation, but it is not conclusive proof. It may be that by pushing the production of wheat in the United States to the present level, we have lowered the unit cost of transporting wheat, and the unit cost of farm machinery, and so forth. All of these items must be included in the final labor cost of wheat production, and not merely the labor expended on the farms, referred to as farm labor cost. In other words, we may be getting our wheat to the final consumer with less labor per bushel than if our population were smaller and the less fertile wheat lands went back to pasture.

But even if our large population entails a greater total labor cost per bushel than would a smaller population, we have not yet proved overcrowding. It may be that we exert more labor per bushel than would be necessary with a smaller population, but produce other things with less labor cost per unit, so that there is still a balance of advantage in our present numbers. It cannot be too often repeated that what is important from the standpoint of human welfare is not how easily some particular thing is produced, but how easily is produced all that is necessary or convenient for human use.

POPULATION DENSITY AS AFFECTING WORLD MARKETS

It must be apparent that our expenditure of labor per unit of agricultural produce would be materially lowered if a smaller population permitted us to abandon the less desirable lands and utilize our labor entirely on the better ones. The advantage would be of two kinds. In so far as we were producing for our own use, we would have the benefit of procuring our wheat, cotton, and other products at a smaller

farm labor cost. In so far as we were producing an exportable surplus for international trade, we could exchange a smaller surplus on more favorable terms. If we produced only half as much cotton as we now do, it is difficult to say how high the price of cotton might soar in the markets of the world. We would certainly exchange our cotton for European products on much better terms than we now do.

A decline in the volume of our manufactured products would operate in exactly the same way. If our population declined so that the less efficient logging camps and sawmills were abandoned, the labor cost of producing lumber would decrease and the exchange value of our exported lumber would materially increase. We would thus reap a double advantage. As manufactured products are becoming an increasing share of our exports, it is particularly important to point out that it is necessary to know not only the labor cost of producing them, but also the value which they possess in the international exchanges. We gain nothing from increased efficiency in their production if this is more than offset by a decline in their exchange value owing to our dumping so many of them into the markets of the world.

When we are producing for export, what is important is not the labor cost per unit of exported article, but the labor cost of procuring the articles for which our exports are the means of payment. This will become of increasing importance so far as our exchanges with Europe are concerned, for it can now be demonstrated that in a few years the population of Northern Europe will decline if birth and death rates remain as they now are.⁵ As it is most probable that birth rates in that area will decline still further, the

⁵ See article entitled "The World's Population," in *Foreign Affairs*, Oct., 1923.

time is not far distant when both the population of Northern Europe and its exportable surplus will decline, and Europe will thus enjoy an increasing advantage in our international exchanges.

It will be observed that there is no harmony of interests between nations so far as their population policies are concerned. So long as we are in the market for Japanese silk, it would be of advantage to us as consumers if the population of Japan trebled and the entire increase in population devoted themselves to silk culture. We could thus get our silk on more favorable terms. The growth in population would hurt us in no way except in so far as the increase were engaged in tasks where they came into competition with our workers. The Pollyanna myth that the interests of the various trading nations are identical is as baseless as the one according to which the interests of labor and capital are identical. It is of course true that both nations and classes are mutually concerned that exchanges take place, but their interests in the terms of the exchange are absolutely conflicting and antagonistic. If ten million Japanese produce silk for exchange in the United States, they will fare much worse in the terms of exchange than if five million Japanese produce half as much for the same purpose.

RELATIVE ADVANTAGES OF POPULATION DENSITY

It does not seem possible to demonstrate the superiority of one population density over another by the experimental method. The world may now be considered as a laboratory in which are nations of various population densities, and it is worthy of attention that the countries in which the highest standards of living prevail are the sparsely settled countries of Australia,

New Zealand, South Africa, Canada, and the United States. But this fact alone will not convince the population expansionist. He will point to such countries as Mexico, Russia, and Brazil, with a population density less than that of the United States, where the level of consumption is below that of crowded Belgium, England, or Holland. One must admit that a sparse population, taken alone, is impotent to produce a high per capita productivity.

Because it is almost certain that per capita food production would increase if population diminished, our attention must be directed to the effect of population changes on the per capita production of other goods and services.

No adequate studies of this kind have come under my observation. We do have the opinion of some distinguished scholars on whether or not we have passed the optimum of population, but they are conflicting and smack too largely of armchair speculation. When John Stuart Mill wrote his *Principles of Political Economy*, he said: "The density of population necessary to enable mankind to obtain in the greatest degree, all the advantages both of coöperation and of social intercourse has, in all the most populous countries, been attained."⁶ Cannan is equally emphatic in denying that there is any reason to suppose that the average Englishman would be better off if the population of England had remained stationary at the point it had reached when Mill made his statement.⁷

But the question cannot be answered by such a "t'is-'t'aint" argument, no matter how illustrious are the persons who participate in it. What is needed is organized research in the various

⁶ 1st ed., Vol. II, p. 311.

⁷ *A History of the Theories of Production and Distribution*, 3rd ed., p. 132.

fields of production and distribution to determine the changes in per capita productivity that would follow changes in population. The railroads, the automobile, and steel and textile industries should be investigated with a view to determining how their per capita efficiency would be affected, if at all, by possible changes in the population. Studies should also be made of the improvements in the terms of exchange that would follow a reduction in our exportable surplus of various products.

Such studies are too elaborate for any individual or even any group of individuals to undertake. It is doubtful when, if ever, we will have the social intelligence to make them. If there were some immediate likelihood of their being made, I would remain silent; but as it is, I am tempted to resort to the armchair speculation which I have just condemned. It seems to me improbable that a reduction of 10 per cent in our population would so lower our per capita efficiency in industry and transportation that it would materially offset the gains which we would make in the per capita efficiency of

agriculture which would result from such diminution.

As for the desirability of increasing our population, the case seems even more certain. The advantages which the sparsely settled countries of the New World have as compared with the European countries seem to me so obvious that I cannot but view with alarm the day when we may have lost such advantages by attaining a density of population equal to that of the Old World.

In conclusion, so long as there is a grave danger of excessive population, it seems that a statesmanlike policy should be directed towards retarding our rate of increase. This can be done by means of immigration restriction and the dissemination of the knowledge of birth control. By making parenthood volitional rather than fortuitous, we could derive some comfort from knowing that an increase, even though objectionable from the national point of view, was at least welcomed by those who brought such increase into existence. Until then, we are deprived of even that consolation.

DISCUSSION BY DR. DUNCAN

I wish to pay tribute to the profound scholarship evidenced by Dr. Hoover's interesting paper. He has stressed the importance of clear thinking, and I am especially appreciative of the clarity with which he has enunciated the principle of diminishing returns, which might more exactly be designated as the law of returns increasable at a diminishing rate. The population optimum is only one aspect of that principle of universal economic variation.

To arrive at the population optimum, we should logically proceed to construct a population-output table, made up of a series of pairs of associated variables: in one column should be placed the different amounts of population; in the other, the corresponding per capita outputs that would obtain.

Such a table is analogous to our schedules of demand and supply. All such schedules refer to a single time situation. It is assumed either that no sequence of time has taken place, or that if such a change has occurred it has not materially affected the assumption of a fixed land area and unchanged technological conditions. A population-output schedule is merely an abbreviated statement of a series of alternative hypotheses, or conditions contrary to fact, to be read and interpreted somewhat as follows: Within a given territory and under a given set of techniques, if we have a population of a , the per capita output will be r ; but if the population were b , the per capita output would be s ; and if the population were c , the per capita output would be t ; and so forth. The population

optimum would then be that population figure which the table revealed as having associated with it the largest per capita output.

The weakness of the foregoing concept is, of course, the practical difficulty of ascertaining statistically the population-output schedule descriptive of conditions prevailing at any one moment of time. For it is only by observing population and output over a number of successive time periods that one can arrive at any approximation of this schedule, making it probable that some dynamic changes have crept in. Granting the value of the idea of a population optimum, we are compelled to confess that it is derived from a table which cannot possibly be more than an approximation of the facts.

Commenting further on Professor Hoover's paper, it seems to me that it is not possible to discuss a quantitative optimum without taking into account certain qualitative considerations. The units that compose a population are not homogeneous nor of the same economic significance. Even if we attach a broad meaning to the phrase "a given set of techniques," it can hardly include such factors as age and sex distribution and variable individual fitness. I believe it is Professor Gide, of the University of Paris, who says somewhere that every one on entering the world brings with

him a mouth and two arms, but the mouth begins to function at once, whereas the arms wait for some fifteen or twenty years. A quantitative population optimum would obviously be conditioned on the composition of the population.

VARIABLE FACTORS IN POPULATION OPTIMUM

Finally, may I suggest that it may be helpful to distinguish between an immediate (present) optimum and an ultimate (future) optimum. It seems probable that variable population figures are accompanied by variations in the proportions in which the population is combined with the factors of land and capital. In other words, varying amounts of population would inevitably modify the very technique which Dr. Hoover assumes at any one time to be fixed. The change in combining proportions would be qualitative as well as quantitative. If a larger population obtains, for example, then wider markets and greater specialization become possible. We might think of a population optimum as that population which is large enough not only to give maximum per capita output but also to make possible increasing return combinations. It is therefore conceivable that at any given time in any given territory, more than one population optimum may exist.

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Governmental Protection of American Foreign Investments¹

By IRVIN STEWART

OF THE three branches of the National Government, the judiciary is least concerned with the protection of American investments abroad. For the most part it deals with persons and property in the United States; though at times, through its jurisdiction over persons here, it influences property abroad, and through its jurisdiction over property here it influences persons abroad. Occasionally situations arise in which the judiciary is requested to act as the protector of American investments abroad. Thus, in one case an American investor in banana properties in a Central American republic endeavored to enlist the aid of the courts in the application of the anti-trust laws against one of his American competitors, in a dispute arising out of acts done in the territory of the republic where the properties were situated. In the main, however, the functions and the powers of the judiciary are not such as to cause it to be an important factor in the protection of foreign investments.

THE CONGRESSIONAL RÔLE

The legislative branch is much more intimately concerned with foreign investments. Though the actual task of aiding in the extension and protection of such investments falls upon the executive, the latter must operate with the machine provided by the legislature. Congress has created the various executive departments, has outlined their organization to some extent, and has assigned to them their respec-

tive functions. Closely connected with the machine which Congress has created is the money which keeps that machine in operation. Holding the purse strings, Congress may provide generously for one activity and starve another; and if the activity starved happens to be one charged with the protection of foreign investments, no one may deny that Congress has played an important rôle. The Congressional power may make itself felt in several ways; among others, by withholding appropriations requested for specific purposes, as the arbitration of a particular claim or group of claims.

When one considers the creation of opportunities for additional investments, the Congressional rôle is even more evident. Foreign relations must often be considered as a whole. Much may depend upon the friendly atmosphere in which they are conducted. That Congressional action may be an important factor needs no proof when one is addressing an audience less than a month after Congress has passed a tariff bill against which some forty-two foreign governments and dependencies have filed protests. During the time that bill was under consideration, the negotiation of commercial treaties designed to open markets in foreign countries to Americans on an equality with nationals of third states was impossible. In another field, the opposition of the Department of State to the extension of the quota system to immigrants from the Western Hemisphere reveals the opinion which the men in charge of foreign relations hold with respect to the effect of the pro-

¹ Address delivered before The Pacific Southwest Academy in July 1930.—EDITOR'S NOTE.

posed Congressional action upon the foreign relations for which they are responsible. I offer no opinion on the merits of either of the subjects mentioned; I recall them to your mind simply as an evidence of the manner in which Congressional action may affect the matter of protection of foreign investments.

Further illustrations of Congress' ideas of its own power may be drawn from an enactment directing the President not to extend or accept any invitation to participate in an international conference without first having specific authority of law to do so; and from another act providing that no new ambassadorship shall be created unless it shall be provided for by act of Congress. The constitutionality of such provisions is open to serious question, but there can be no doubt that the President may often find it expedient to heed them.

The power possessed by both houses of Congress to investigate the operations of the Government gives them a means of checking upon the manner in which foreign investments have been protected. More immediately, the Constitutional right of the Senate to grant or withhold its advice in and consent to the making of treaties and the appointment of ambassadors, other public ministers, and consuls, may be so used as to exert a profound influence upon foreign investments. Most important of all in its potentialities is the power of Congress to declare war—which might conceivably be the last step in the protection of foreign investments.

THE EXECUTIVE BRANCH AS PROTECTOR OF FOREIGN INVESTMENTS

The real burden of protection falls upon the other of the three departments of Government, the executive. While the lion's share of the task of protecting foreign investments falls

upon the Department of State, other Government departments engage in related activities. One factor in the spread of American foreign investments has been the growth of the activities of the Department of Commerce in the field of foreign trade. Although that Department opened an office abroad as early as 1914, the effective demand for a separately organized field service came later. The amount and the importance of the work done by that field service has increased steadily each year since its organization in 1927. At times it has been difficult to draw the line between the functions of the field services of the Department of State and the Department of Commerce.

Prior to 1924 there were three great parts of the organ intrusted with the conduct of foreign affairs—the diplomatic service, the consular service, and the Department of State proper, which is sometimes referred to as the home service. In that year the diplomatic and consular services were combined into a single foreign service. Its officers may be freely transferred from either branch to the other; and today there are a number of officers holding commissions in both branches. The Department of State proper—the home service—is still separate from the foreign service. Many Foreign Service officers have been assigned to duty in the Department, but while on such service they retain their identity as Foreign Service officers and are not considered as a part of the Department personnel. Occasionally a State Department officer has been commissioned in the Foreign Service; but in such cases the individual has ceased to be an officer of the Department.

STATE DEPARTMENT ORGANIZATION

The organization of the Department of State is a flexible one. The Secre-

tary of State, the most important individual in the Department, has large powers in the creation of new divisions and in the apportionment of tasks among the various divisions. His right hand man, and in fact the only other person who sees the Department as a whole, is the Under Secretary. Next come four Assistant Secretaries of State, each of whom has supervision over such matters as the Secretary may see fit to intrust to his charge. Some matters the Secretary may think it well to reserve directly to himself or to the Under Secretary; some he may desire to make final in a division chief; but most matters come under the supervision of some one of the Assistant Secretaries. The principle upon which work is divided among the Assistant Secretaries is changed from time to time. Thus, at one time the division may be based upon functions; at another, upon geography; at still another, upon a combination of the two.

Under the officers mentioned, there are a number of offices, bureaus, divisions, and boards. There is no logical reason for the differences in the names, and hereafter in this paper they will be collectively considered as divisions. The distribution of functions among them is determined by the Secretary. It is desirable that problems presenting legal, economic, and political aspects be passed upon by men who are experts in law, in economics, and in policy. A case may involve any one or all of these phases; it is necessary that it be dealt with in the light of the Department's policy in that particular type of case, and also in accordance with the Department's policy in that particular country or part of the world. It is also advisable to have the case dealt with in accordance with any major policy which it may touch. When problems arise with the profusion and

the complexity of those confronting the Department of State, proper co-ordination of the work of all offices in the Department on all phases of a problem is an important but difficult task. Coördination of all activities within a given geographical area is highly desirable; consistency in the treatment of problems of a particular type wherever arising is frequently important.

The Department's organization reflects the difficulty of the situation. There are the geographical divisions—Western Europe, Eastern Europe, Far East, Near East, Latin America, and Mexico. These geographical divisions supervise the policy factor in matters arising within their respective areas. Crossing geographical lines, there are the Legal Adviser's Office and the Office of the Economic Adviser. The first handles legal and the second major economic questions regardless of where they have arisen. But law and policy, and even more economic policy and so-called "political" policy, are not so different as to enable the line between them to be drawn clearly. A compromise is being tried on a large scale in the economic phase—that of distributing economists among the geographical divisions, where they may coördinate sound economics with the policy to be applied in the geographical area. The Economic Adviser's Office retains control of matters of general economic policy and of cases which overlap geographical divisions, and unifies and coördinates economic matters within the Department.

The Treaty Division cuts across all the lines mentioned. Until fairly recently, various aspects of treaty relations were handled by different divisions. The formation of the Treaty Division had as its object the concentration in a single division of many matters bearing upon treaty relations.

As such it has been successful; but close coöperation with other divisions is still imperative, for treaty relations, after all, are but one aspect of the entire problem of our relations with other countries.

DIFFICULTIES OF REORGANIZATION

To describe all of the divisions in the Department of State which may be concerned with American investments abroad would require a consideration of the entire organization of the Department. This is not the place for such a survey; nor is it the place for a detailed discussion of the functions of the various divisions. It is probable that the last word has not yet been said upon the distribution of functions among divisions, but to propose a plan for the reorganization of the Department together with a re-allocation of its functions would require a great deal of courage. If one should be somewhat bewildered upon finding that two cases closely resembling each other were being handled by different divisions, his bewilderment would be natural. But to devise an improvement upon the present distribution of functions requires a great deal more information about how things are actually handled than most of us possess. It happens, however, that the subjects considered by the Department are such that there is very little likelihood of an outsider obtaining enough information to enable him to devise a plan which would work in practice as it does in theory.

Any change in the present set-up will have to be made by the Department upon its own initiative. It is probable that there are few officers in the Department at any given time who would be competent to suggest radical improvements in its operation. Very few men have an adequate conception of the operation of the Department as a

whole; most of them see only the division with which they are immediately connected and those divisions with which they most often come into contact. Perhaps the present organization of the Department is the best possible. From the fact that it does exist, one might deduce that in the opinion of the Department, the present arrangement is the best possible. Such a deduction might be logical, but in all probability it would be erroneous. The most recent reorganization of the Department was in 1909. Though a number of changes have been made since then, there is nothing to indicate that a survey has been made to determine whether there should be a general redistribution of functions or a new plan for the relation of the various divisions to one another.

The difficulty of obtaining such a survey is fairly obvious. The Secretary usually is a man who has had little or no experience with the Department prior to becoming its head. He knows he is in office for a limited time. He is confronted with numerous matters of policy, many of them of the greatest importance and some of them of surpassing interest. The eyes of the country, and at times of the world, are upon him. The reason for that attention is the interest in what his policy will be in the matter which is then current. That situation he must accept whether he likes it or not. Under the circumstances, it is almost asking the impossible to expect him to become responsible for a thorough survey of the machine of which he is the head; to accept the responsibility for an innovation which might not prove a success; to add the opposition which any change would create to that which is already manifest against his policies, whatever they may be.

What has been said of the Secretary applies with but slightly diminished

force to the Under Secretary. While these are the only officers who see the Department as a whole, it is conceivable that an Assistant Secretary, whose tenure is somewhat longer than that of his superiors, might become the sponsor for a plan of reorganization. This would presuppose the acquiescence, if not the active support, of the Secretary and the Under Secretary, and would involve the obstacles already mentioned.

There is small probability that a reorganization of the Department of State will be undertaken. Meantime, we are deprived of even the comfort of a statement by the Department that a thorough survey by competent persons has demonstrated that no improvements in organization are needed.

REVISED METHOD OF DEALING WITH CLAIMS

In one respect, the Department is attempting to improve its organization by strengthening the part used in obtaining relief for American investors whose investments in foreign countries have been destroyed under circumstances which may entitle them to relief.

When a claim is presented to an arbitral tribunal many years after it has arisen, it is difficult to determine the facts of the case. Witnesses die or disappear, memories fade, and documents are lost. Sheer lapse of time may make justice impossible. The Department is undertaking to make the claimant's path a little easier. The Legal Adviser has asked for money to provide a staff large enough to permit a thorough investigation of a claim to be made as soon as possible after it arises. Where the Department is convinced that the claim is just, and satisfaction cannot be obtained from the government at fault, the case is to be prepared as though it were to be

submitted to arbitration upon the morrow. Should this plan be carried out, when an arbitral court is set up there will be no frantic scurrying to locate witnesses, jog memories, and procure depositions. Rather there will be only the necessity of taking a thoroughly prepared case from the file.

It is hoped that the plan will have another great advantage. At present when an arbitral tribunal is established, the agency to present American claims is made up of men who are not on the Department's staff. At the end of the arbitration these men return to their private law practice, and the experience which they have gained is lost to the Department. The plan contemplates that in future arbitrations, the American agency will be composed of Department officers, so that the Department gradually will build up and retain a group of men well trained in international arbitrations.

PERSONNEL OF DEPARTMENT OF STATE

Adequate protection of American foreign investments must in large part depend upon the personnel to which that protection is intrusted. Even under a perfect plan of organization, competent personnel would be essential. If there be defects in organization, the importance of personnel is even greater. Where several divisions cooperate in handling a problem, with a consequent joint responsibility for the solution, it is highly desirable that friction between divisions be reduced to a minimum and that there be some method of determining the contribution which each of the participants has made to the final solution.

It is believed that at the present time jealousy is not entirely absent in the relations of the divisions with one another. More important, there is in

operation no plan which approximates a fair assessment of credit or blame among the several individuals and divisions for the handling of a particular situation. The assessment of the contribution of each participant is a matter of peculiar difficulty; yet with a joint responsibility for the output, some effort in that direction should be made. Otherwise, the way is open for one man to loaf on the job while another carries the burden; and he within whose power it is to reward or to punish sees only the finished product and is not aware of the relative value of the efforts of the laborers.

In connection with the personnel of the Department proper, several points may be noted. Positions are classified according to a plan applied by the Personnel Classification Board under the Classification Act of 1923 as amended by the Welch Act in 1928. The classification is one which runs throughout the Government service in Washington; for the most part, the job descriptions are in general terms. In a number of cases these general terms do not correspond to the duties attached to particular positions in the Department of State. The duties of many of the Department officers are entirely unlike those of officers in other departments, and there is a wide variation in the types of duties performed by different officers within the Department. The qualifications and training necessary for some positions are different from those required for others in the class in which they are placed by the Classification Board. Improper classification has made it difficult for the Department to get properly qualified men for some positions and has complicated the matter of adequate compensation. The justice of some complaints which have been registered against the manner in which the Classification Act has been applied

in the Department of State cannot be denied.

SALARIES AND PROMOTIONS

Salaries on the whole have been too low, and promotions both inadequate and infrequent. For that, Congress is in part to blame, in that appropriations have not been sufficiently large to permit the promotions necessary to retain many efficient officers. In the final analysis, however, a large part of the fault rests with the Department itself or with the President, for only recently has the Department's case been forcefully presented to Congress. That situation has improved in the past few months; and with the appropriations which became effective on the first of July, there is a decided change for the better.

The current appropriation takes into account the need for additional personnel in the Department as well as the need for promotions. For several years the Department has been compensating for the inadequacy of its own personnel by drawing Foreign Service officers from the field to do work which properly should be done by permanent officers of the Department. Under the Rogers Act of 1924 these Foreign Service officers might remain in the Department for not longer than four years. At the end of that time, if not before, they were returned to the field, and the work of the Department was correspondingly slowed up until other Foreign Service officers could be trained in departmental duties. Since the average number of Foreign Service officers assigned to the Department has been around fifty-five, the continual turnover was most unfortunate from the Department's standpoint. The increased appropriation now made available will help the situation by permitting the return of forty of these officers to the field, their

places to be taken by men who will become permanent officers of the Department.

Promotions are based upon efficiency records, but it would be difficult to find many Government employees who have any faith in the system now used for determining relative efficiency. Where the opportunity for promotion is severely limited by the scarcity of money available for promotions, the method of determining relative efficiency is of great moment to the employees affected. The lack of a common standard among the superior officers in ranking their subordinates is alleged to have led to a jockeying by the superiors to obtain promotions for their assistants. Work which one officer would rate at 80 another might rate at 85; the difference might be that between promotion and no promotion for the employee whose efficiency was the matter of record.

A Board of Review for Efficiency Ratings has introduced some element of standardization into the records. Theirs is no easy task, for its proper performance involves a knowledge not only of the work of the various employees whose records are before them but also of the idiosyncrasies and indulgences of the officers responsible for the original ratings.

Occasionally an employee of the Department falls below the minimum of efficiency formally required for retention in the service. Separation from the service should follow automatically, but unfortunately it does not always do so. Just as the Department at times has failed to select the best qualified applicant for a particular position, so has it at other times failed to eliminate the unfit. Perhaps worst of all, it has too often tended to keep the inefficient and the indifferent in places which should be occupied by the efficient and the enthusiastic.

STATE DEPARTMENT ITSELF MUST HANDLE PERSONNEL SITUATION

Here again I am venturing on a subject about which an outsider perhaps had best be silent. Whether a man fills the requirements for his position and is worthy of his task, is primarily a matter for his superiors. On this, as in the matter of organization, the Department should be the best judge; and mayhap the presence of a personnel in certain relative positions and drawing certain salaries is conclusive evidence of the Department's complete confidence that the present is the best of all possible situations. No, that cannot be entirely true, for the Department is endeavoring to obtain more men and to improve salaries. That much is on the public record; and the effort is one which deserves support. But the public record is bare of references to attempts to eliminate the least fit, to improve methods of determining relative efficiency, or to encourage men better to fit themselves for their positions; in short, attempts by the Department to put its own house in order. The matter of appointments, of efficiency ratings, of promotions, and of separations from the service is not one upon which outsiders can pass with any degree of confidence, for the Department itself possesses the only information upon which sound judgment can be based.

As in the matter of organization, one might rest somewhat more content if he were assured that inertia—the desire to let well enough alone—was not an important factor in personnel. If the Secretary and the Under Secretary cannot well be expected to concern themselves with matters of organization, they certainly cannot be expected to take upon themselves the infinitely more detailed matter of personnel adjustment. The Assistant Secretary

within whose purview comes the matter of personnel has that as one of a large number of duties. Experienced and efficient as he is, it is almost inconceivable that he has as complete a command of the personnel situation as he would like to have and undoubtedly would have if he were relieved of some of his other duties. Even at best, the personnel situation is adversely affected by the rulings of the Personnel Classification Board.

PROBLEMS OF FOREIGN SERVICE

The preceding remarks about the State Department refer only to the Department as it operates at Washington. Much could be said about the Foreign Service, the long arm of protection. While some problems have developed in connection with the administration of the combined services which were not fully anticipated in 1924, on the whole the plan for a unified Foreign Service has been very successful in operation. An efficient Foreign Service is indispensable to the proper protection of American foreign investments. While the field service of the Department of Commerce may assist in developing opportunities for foreign investments, in the narrower field of protection the Foreign Service officer must bear the burden.

The consular officer within his district and the diplomatic officer within the country to which he has been accredited are instructed to see that American investments receive the consideration to which they are entitled. In view of the magnitude of those investments, actual and potential, the task is one of great importance. Its importance is an indication of the absolute necessity for a qualified personnel and a proper organization.

There are two outstanding problems revolving about relationships of the Foreign Service which merit the

closest attention of the Department and of the entire country. One of these is the relation of the Foreign Service to the Department at Washington—of the officers in Washington to those serving in the field. There have been complaints that the Department too often will leave the officer in the field to his own devices without clear instructions, but will be highly critical of anything that he may do. On the other hand it has been charged that the Foreign Service officers, when too long in the field, tend to lose their American viewpoint. The officer in the field, immersed in the difficulties of a particular case, may fail to perceive its bearing upon a general policy. The man in the Department, observing the effect of the case upon a general policy, may lose sight of the difficulties which confronted the officer who had to handle a hard situation without sufficient instructions. At times it is difficult to reconcile the two viewpoints, and friction and irritation may result.

The second problem referred to above is of more recent origin. A large part of the time of consular officers has regularly been devoted to the promotion of commerce; a very large part of the work of foreign trade promotion of the Department of Commerce has been built upon the consular service. With the expansion of the foreign activities of the Department of Commerce, that Department has believed that its purposes could be better served by its own officers than by those of the Department of State. The field service of the Department of Commerce has grown rapidly, and apparently has not yet reached maturity. Consular officers have resented the intrusion of commerce officers into the field which they have occupied so long. Commerce officers, confident of their superiority in things commer-

cial, and riding high on the wave of commercial popularity, at times have been disdainful of the activities of consular officers along commercial lines.

The relationship between consular officers and commerce officers in the same district has developed into a problem of some importance. In many cases there has been harmony; in others, in spite of official statements to the contrary, friction has developed.

NEW PLAN ADOPTED

Early this year a new plan was developed for preliminary trial in Great Britain and Northern Ireland, which the two departments hope will make for real coöperation between their respective field services. The Commercial Attaché under the new plan appears to have the power to determine whether trade and economic information shall be furnished by commerce or consular officers. The comparatively small number of commerce officers at present will force him to rely largely on consuls; but the field service of the Department of Commerce is expanding. As it grows, the Commercial Attaché will doubtless rely more and more upon commerce officers and less and less upon consular officers. It is possible that the Department of State has laid the groundwork for its eventual withdrawal from the trade promotional and economic side of its work.

Again an outsider is at a loss. Perhaps the whole situation created by the expansion of the foreign activities of the Department of Commerce was gone into thoroughly before the new plan was adopted. It may be that both Departments, and the President himself, fully appreciated all the implications of the solution proposed. At present we are not given to know; but we may wonder why the Department of State consented to an arrangement which may involve its eventual withdrawal from a field which it has long occupied, and which, meantime, promises to introduce further complications into the administration of its personnel.

The foreign investments upon which Americans have embarked have been made upon the faith that they are secure. The security comes in part from a feeling that the United States Government will protect the investments if necessary. The function of protection rests largely upon the executive—more narrowly upon the State Department and the Foreign Service. If that function is performed as it should be, the organization for its performance must be calculated to produce the best results, and the circumstances surrounding the appointment, rewards, and tenure of its personnel must be such as to attract and hold the capable and eliminate the unfit.

Dr. Irvin Stewart has, since the delivery of the above address, been appointed as the expert of the Department of State on international radio relations. He is also Professor of Government in the Graduate School of the American University. He is the author of "Consular Privileges and Immunities" and of various articles in the field of international law, and was the editor of "Radio," a supplement to the March 1929 issue of THE ANNALS. Formerly Assistant Solicitor of the Department of State, he has served as adviser to American delegations to three international conferences.

Some Geographical Problems of the British Empire¹

By ERNEST YOUNG

THOUGH this paper bears, as part of its title, a reference to the British Empire, there is in effect at the present day, more than one British Empire. It would not be inaccurate to say that there are at least three:

1. The Dominions—Canada, Newfoundland, South Africa, Australia, New Zealand, and the Irish Free State—each inhabited by a small but vigorous nation, and each more independent than any one of the separate states of the United States
2. India
3. The Colonial empire, consisting of all the Crown Colonies, protectorates, mandated territories, and other oddments of the Imperial conglomerate.

THE COLONIAL EMPIRE

The third of these divisions, the Colonial empire, is again divisible into an empire of the West Indies and South and Central America, an empire of tropical Africa, and an empire of Malaya and the Pacific Isles. Each section has its own geographical, political, and economic problems, and each unit in each section is also the happy possessor of a number of knotty questions, the unraveling of which must present, to those responsible for the unraveling, a series of nightmares upon which, as upon the British Empire itself, the sun never sets.

Owing to exigencies of space it is possible to deal only with some aspects of some parts of the Colonial empire,

which is administered largely, so far as centralized administration is concerned, by the Colonial Office in London under the direction of the Secretary of State for the Colonies.

Nearly all of this empire is within the boundaries of the tropics where the climate, except at altitudes of from 6,000 to 9,000 feet, renders permanent white settlement impossible. British interest in these generally hot and humid regions is not that of potential fields for emigration; neither is it purely altruistic. Some parts of this empire were long neglected until modern commerce made demands for certain raw materials which they can supply in abundance. Hence our interest is one of "pay sheets and order books, of factories and workshops." To many of the millions crowded within the limits of our little islands, the Colonial empire means their daily bread and butter. It provides raw materials for our industries and affords markets for our manufactured products, and the development of its resources is one of the very few possible ways by which we may hope to remain solvent under the staggering burden of our enormous war debts.

Few people, even in Great Britain itself, quite realize the magnitude of the trade now done with the major units of the Colonial empire. West Africa alone, for instance, purchases more per head of the population than does the United States, and more in actual value than Italy, Egypt, Spain, Sweden or China.

The cornerstone of this empire, in bulk as well as in geography, is the two Africas—East and West. Looked at

¹ Address delivered before the Pacific South-west Academy in July 1929.—EDITOR'S NOTE.

merely as enclaves in a continental land mass, they do not strike one as being very large; but Nigeria has an area of almost 270,000 square miles, seven times the area of England, while on the other side of the continent, East Africa from the Zambesi to Abyssinia covers a million square miles.

In these vast territories live 40,000,000 black Africans for whose ruling and guidance Great Britain is responsible. Most of them are more or less backward, but, in the west especially, they are stirred by a cheerful curiosity and a willingness to try new things that make them much more sympathetic say to a modern girl and her lipstick than to any of the sheltered maidens of India. Great Britain's double task of trustee of the native for himself and of the resources of his country for the benefit of the rest of the world would be much easier than it is were the geographical conditions more uniform.

POLITICAL ADMINISTRATION IN EAST AND WEST AFRICA

In West Africa there are no highlands where Europeans can go to recuperate, and the absence of altitudes at which white men can live and work means that this area is permanently a black man's land; the task of government is at least not complicated by the competing interests of groups of different foreign settlers. In East Africa, on the other hand, the African plateau rises to higher levels, and there are a few limited areas from 6,000 to 9,000 feet in height where not only white men can live but where their wives also can live and their children be brought up. The number of European settlers is not very large and is not likely ever to be, but already there arises a demand for some kind of federation and more opportunities for self-government. In the west the four colonies and protectorates—Gambia, Sierra

Leone, the Gold Coast, and Nigeria—are widely separated from each other by blocks of French territory, and federation is unthinkable. In the east the three colonies and protectorates—Uganda, Kenya, and Tanganyika—are contiguous and are moreover linked northwards to Anglo-Egyptian Sudan and southwards to Nyasaland and the Rhodesias. Here, despite many difficulties, federation is a practicable proposition, and though the attainment of any kind of political union may be slow, it cannot be forever delayed.

The major problems, however, concern the administration of territories inhabited by the black peoples; and these problems vary in difficulty because there are amongst the natives some who, judged even by modern standards, have reached a comparatively high state of development, while others have but just emerged or have not emerged at all from conditions of barbarism or savagery.

Roughly speaking, equatorial West Africa can be divided climatically into two belts, running from east to west: (1) the hot, humid coast belt from Sierra Leone to the Cameroons; and (2) the hot but drier interior, from Gambia westwards. The two types of climate give rise to two different types of vegetation: (1) equatorial forest in the south; and (2) savanna in the north.

RACES OF WEST AFRICA

The two climates and the two types of vegetation are reflected in two stages of civilization, one of the forest and one of the savanna, but both of black men. The distributions are due partly to natural environment and partly to the happenings of history. The basic stock of the West African population is Negro, and, according to some authorities, entered Africa by way of Arabia and settled in the open country of the central lake region. At

a later date other races entered West Africa either from the east along the grassland or from the north by oasis routes across the desert. In some cases they drove the aboriginal peoples out of the lands already occupied; in others they amalgamated with those they had conquered, giving rise to mixed races in most of which Negro blood predominates. The ejected aborigines were forced into the difficult region of the Bauchi plateau or the even more inhospitable tracts of virgin forest along the coast. They are represented in our time by some of the most primitive peoples of West Africa; e.g., the Kibyens of the Bauchi plateau and the Ibos and Ibibios of Southern Nigeria. Of the later Negro immigrants whose descendants retain nearly pure Negro blood, the Yorubas of Western Nigeria, the Mendis of Sierra Leone, and the Fanti and Ashanti tribes of the Gold Coast are the most important.

Amongst most of these peoples (though the Yorubas and the Ashanti are exceptions), civilization, as we understand the term, is of a very low type. Isolated from each other by wide stretches of forest or, in the case of the Kibyens, by the rocky, impenetrable character of the Bauchi plateau, and handicapped by the conditions under which they were compelled to live, they developed various forms of tribal life that were disturbed by perpetual wars and raids and disfigured by horrible human sacrifices.

The Ashanti, living where the drier climate produces better conditions, are somewhat more advanced than the Ibos and Ibibios of the swamp and the forest; but even amongst the Ashanti, three thousand people were on an average the victims of superstitious rites.

The savanna is an entirely different kind of world from the forest, and its Negro inhabitants are not only of a more advanced type than those of the

forest, but also of a more advanced type than the Kafir of South Africa. From an early date, the region was in touch with Asiatic culture and the influences of Mohammedanism, and was the home of a number of old civilizations that had resulted partly from the mixing of many different peoples of diverse stocks and traditions. There was enough sense of the value of union to lead to the foundation of great empires in marked contrast to the separated, antagonistic village units of the forest. In the savanna, farming was possible, and here were powerful and wealthy people with leisure, surplus products for trade, and considerable skill in various kinds of crafts.

Amongst the most important tribes of the grassland are the Hausas and the Fulahs. The term "Hausa" is applied to a number of tribes, negroid and non-negroid in character, with many common physical and mental characteristics, who had attained a fairly high level of civilization at an early date. They are a strong, virile race who without white influence had opened schools for their children, reduced their language to writing, and established government. At the beginning of the nineteenth century the Hausa states were conquered by the Fulah or Fellani people whose subsequent misrule led to their defeat by British and Hausa troops in 1903 and the establishment of a protectorate over Northern Nigeria.

PRINCIPLES OF ADMINISTRATION

This brief account of a few of the tribes will serve to show that where differences of political development are so great there is probably no one method of rule that is applicable to all. Whatever principles of administration be adopted, it is obviously easier to organize government on the plains where few or no natural boundaries exist than it is in a coastal swamp

where there may be no tribal organization worth speaking about and the only entrances to the villages are through gaps in the mangroves, or in the forest where the social unit is the village rather than the tribe, and every village is hidden and built with strong defenses against raids.

There is more than one method of dealing with the question, more than one set of principles upon which methods may be based. In French Africa—all in the west, and surrounding British Africa in this section of the continent as an ocean might surround four islands—the black man is treated as a Frenchman, equal to any other Frenchman, brown, black, or white. Hence he must be organized, centralized, administered, and drilled as other Frenchmen are. He may exercise those rights bestowed by the vote; he must perform those duties that are symbolized by a gun. The French, therefore, destroy native kingdoms and place a white soldier or official in the seat of the chief.

The British philosophy and practice are quite different. We believe, with a sincerity equal to that of the French, that an African should be a good African and not some kind of imitation European. We do not believe that we can ever make a good white man out of a black one, however excellent the latter may naturally be, and we do not intend to try. Hence, after many years of experience, marked by much blundering and groping after practicable ideals, we have come to accept the idea that, on the whole, the forms of government which native races have evolved for themselves may conceivably be better for them than any we have tried upon ourselves or invented for some other section of the Empire; and whereas the French believe in centralization, we believe in devolution. We are poles asunder.

This idea of devolution has been

forced upon us by the fact that the Colonial empire—of which the two tropical Africas are, as has already been remarked, the cornerstone—sweeps across the world like a great constellation from Central America to the eastern shores of China and the scattered isles of the Pacific, and exhibits a diversity so great that no single method of government could ever have been made that would have been equally applicable to all its parts. It has been incumbent upon us to leave much to the man on the spot and care not one iota for logic or consistency, so long as the local representatives of the Crown could make a machine that would function.

“INDIRECT RULE”

In comparatively recent years we have adopted a method known as “indirect rule.” This originated in Northern Nigeria, where there are about 10,000,000 people representing a good number of tribes and speaking innumerable languages. This is part of that savanna area where, as already indicated, there were tribes that had made considerable advances in civilization, independent of any white influence and long before any such white influence had begun to operate. It was the presence of these tribes that led Sir Frederick (now Lord Lugard) to suggest the possibility of native administration. In the forest where the people were scattered and disorganized, no such suggestion would then have been considered feasible.

In 1902, in his Annual Report to the Colonial Office, Sir Frederick wrote:

Many hold the view that the tradition of British rule has ever been to arrest disintegration, to retain and build up again what is best in the social and political organization of the conquered dynasties, and to develop on the lines of its own individuality each separate race of which our great

Empire consists. . . . I believe myself that the future of the virile races of this Protectorate lies largely in the regeneration of the Fulani. Their economic system, their colored skins, their mode of life and habits of thought appeal more to the native population than the prosaic businesslike habits of the Anglo-Saxon can ever do. Nor have we the means at present to administer so vast a country.

The principle of governing through native office-holders, according, as far as possible, to native ideas, sounds very simple, but is far from simple in practice. In the first place, the term "indirect rule" must be taken to mean just what it says: it is rule, if indirect. It means that wherever we find a native form of administration in good working order, we adopt it and watch it; or where we find a system of law that fits the fact of the environment, we do not substitute our own. But it does not mean that we are prepared to allow indigenous lethargy to hamper peoples or indigenous methods of inefficient administration to continue forever on a low plane, while we sit by, content merely to terminate obvious forms of cruelty, injustice, human sacrifices, and gross abuses of personal liberty.

In the second place, the courts of the emirs swarmed with absentee landlords whose only interest in their estates was the extraction of the greatest amount of tribute. The administration of justice was hopelessly corrupt and judicial punishment often extremely barbarous.

In the third place, the misgoverned people did not condemn its government. It expected to be ruled after these methods, and regarded them as proper forms of deportment on the part of the governor. It might weep, but it did not protest. The attitude of ruler and ruled is indicated by the following story: During a recent trial in Nigeria,

a native witness was asked how he could fix so accurately a date to which he had referred. On the bench of judges the native king sat beside the representative of Great Britain. The native witness, turning to the king, replied: "Because on that day you were being besieged by the British and ordered the sacrifice of a woman with a child at the breast." The witness had no hesitation in dating an event by a sacrifice, and he who ordered the sacrifice was neither indignant nor ashamed. Hence, though it is part of our task, where we accept a native ruler, to teach him that some of his methods are brutal and corrupt, we have also to convince his people that they are entitled to something different from brutality and corruption.

EXISTING ORGANIZATION CONFIRMED

Under the system of "indirect rule" we first take the line of confirming in office desirable members of the old dynasties and the old ruling families. The ruler of Ogo, for instance, is the fortieth member of his house to hold the scepter. The people expect us so to act; they have a great respect for precedent and tradition.

Once a native ruler has been appointed, everything is done to maintain his dignity and authority, and the capital of every province is the seat of the most important emir in that province. Though there are one or two British officials such as the Resident and the District Officer usually present in the same capital, they act more as political tutors than anything else, their business being to persuade and instruct and, if necessary, to urge and admonish. They are viewed by the natives with amusement and interest, real reverence and respect being reserved for their own chiefs. So far, no big chief has been excused the presence

of these white tutors. When he is, curiously enough, it will be not because he is ready to put some reformed black scheme into force but because he has successfully adopted from an alien race those basic principles of humanity and justice that are the foundation of a white man's civilization.

As we preserve as far as possible old families and dynasties, so too we preserve the administrative boundaries and types of administrative officer with which this fact has made them familiar, and the executive work of administrators is carried on by a hierarchy descending from the emir or paramount chief, under a variety of titles, through district chiefs down to village headmen.

The next aim is the building of institutions acceptable to Western ideas but based on local native organizations. First and foremost of these is the Native Treasury, one in each Chiefdom, into which are paid half the proceeds of the direct tax raised through its agency, the fines and fees of the native courts, and sundry other revenues. From this Treasury are paid the salaries of the chiefs and of all the employees of the native administrators. So well handled are the revenues that they suffice to pay adequate and liberal salaries and to provide for considerable expenditure on local works. Kano, for instance—until comparatively recent years the heart of a great slave raiding region—contemplates spending as much as one and a quarter million dollars on schemes for the provision of water and light; while prisons, police, hospitals, leper retreats, forest guards, and veterinary and agricultural inspectors all appear on the budgets of native administrators.

Next come the native courts. These may, according to local circumstances, administer the law of Islam or something much less intricate and formal, and may vary from the really dignified

court of the kadi to a council of chiefs, or even a primitive meeting of pagan elders. All the courts of justice, under the close supervision of British officials, administer the law in accordance with native ideas and offer an excellent illustration of indirect rule. Thus, for instance, we leave intact to the Moslem population the system of law with which they are familiar, but we insist on milder penalties than the native judges are inclined to inflict, and we try to prevent corruption. Nothing really essential to the native system is eliminated, but it is often difficult to persuade either judge or suitor that an elaborately framed and detailed code of law should be administered without respect to the claims of relationship or the length of a purse.

Whatever, on any theoretical doctrines of liberty, the West African peoples ought to feel about their white overlords, there can be no doubt that, on the whole, they are happy and prosperous. Under British rule they have escaped from a state of perpetual warfare, from hunger, and, above all, from the fear that made them wall the cities of the plains and stockade the settlements which, for further safety's sake, were buried in the recesses of the forest. Under a better form of government they have emerged into an atmosphere of security and plenty that has meant more crops, more trade, and more fun. In all this area there are only one thousand Europeans, and of these a mere handful, two hundred civil and three hundred military, are concerned with the government of the country. The fact is expressive of the way in which the overlordship is practiced and accepted.

PROBLEMS IN EAST AFRICA

East Africa is somewhat different; for though essentially it is a black man's land, it has, as already indi-

cated, certain areas with growing white populations. Thus East Africa can never be so completely a black man's country as West Africa, and certainly never even approximately a white man's country like Australia, while the presence of important groups of Indians and Arabs mark it off again as something quite different from South Africa.

In East Africa, as in West Africa, the peoples differ very widely as to the stage of political organization reached by themselves; to meet these differing stages, many methods have been applied.

Amongst the banana-eating tribe of the Boganda (Uganda), whose method of life had anchored them to the soil and developed in them, with permanent occupation of the land, a sense of private ownership, laws of inheritance, and some excellent forms of social organization, matters were comparatively easier. With them the British were able to enter into agreements, with chiefs who were really representative. While these agreements confirmed in their positions the paramount chief and the principal subordinate chiefs of each tribe, they abolished the autocracy of the paramount chief by establishing a central native council as a consultative and executive body. By this means a despotism was converted into a limited monarchy; though a secondary effect of such an agreement has turned out to be the establishment, in effect, in each tribe, of an oligarchy little qualified either by ability or character to rule in the interests of the tribe as a whole. The best of intentions may be somewhat frustrated by a too rapid development.

Elsewhere in Uganda, to the east and north, there were, when we assumed control, a miscellaneous assortment of primitive and savage people living in a state of constant warfare. The most

outstanding figures in each tribe were rainmakers or successful hunters or warriors, but there were no hereditary chiefs and no permanent councils. There was, in fact, no political organization; and it has been the laborious and not unsuccessful task of the British administration to create and establish orderly native governments on these shifting foundations by means of a system of graded chiefs, local and central native councils, and native courts of justice in each tribe.

BRITISH POLICY IN KENYA COLONY

The following account of Kenya Colony may be taken as giving, with variations in detail, a fair summary of British policy.

In Kenya Colony there were as many tribal groups, differing fundamentally in language, customs, and general characteristics, as there are nations on the continent of Europe. Previous to British occupation the indigenous system of native government in Kenya was of very nebulous character. The functions of government were to a varying extent performed by irregular chieftains and by indeterminate councils of elders, theoretically according to their own customary law, but in practice not infrequently according to the dictates of some witch doctor or the ambition of some mighty man of war. Nowhere was there any chief who could command any wide measure of respect, or any ready-made organization which could be converted into an administrative machine.

British Government met the situation by dividing each native area into locations, each location being roughly coincided with the area over which some native chieftain or council of elders exercised a precarious jurisdiction, and by appointing to each location a prominent individual as official headman recognized by the Govern-

ment under the Native Authority Ordinance. This ordinance prescribes the duties and limits the authority of the headmen appointed. Their duties are to maintain law and order, to report crime, and to arrest criminals; and they are authorized to issue instructions for certain definite purposes, as occasion demands, to be obeyed by the inhabitants of their locations.

Moreover, in every important district, councils have been established which consist, as a rule, of twenty to seventy members, of whom some are nominated by the Government and the remainder by the people themselves. The president is the District Commissioner. Subject to the sanction of the Government, these councils are empowered to pass resolutions, which have the effect of local by-laws, for the welfare and good government of the local natives, especially in such matters as food and water supplies, roads, bridges and culverts, public health, education, and all questions relating to agriculture and livestock. They may also establish local native funds and levy rates for purposes of general benefit, all expenditure being subject to Government control. All rents accruing from land in native reserves are paid into these funds.

By these methods a people who but a few years ago were in a state of primitive barbarism are part of the machinery of modern local government and seem to be thoroughly enjoying their new experiences.

LAW AND LAWMAKING IN FORMER DUTCH GUIANA

Native Guiana was purchased from the Dutch, and the law administered in the law courts of the colonies is Roman-Dutch law; that is, the law of ancient Rome as interpreted by Dutch jurists of the seventeenth and eighteenth centuries, though modified since our oc-

cupation by Orders in Council and Colonial ordinances. So far the story is purely historical in its character. But note further that as the rivers were the only gates of entry, the white invaders, like the natives, were severed from each other by swamp, jungle, and mountain, into a number of isolated groups, each of which grew up in its own way and with its own traditions. Hence it comes about that in Demerara and Essequibo we administer North Holland law with regard to inheritance, while in Berbice we administer that of South Holland. The differentiation is partly due to the geography of the country.

The legislature, also a survival from Dutch rule, differs from that in any other colony. There is a Governor, assisted by an Executive Council, a Court of Policy, and a Combined Court. The Court of Policy makes the laws except when financial matters are under discussion. When taxes are to be imposed, public accounts audited, or annual estimates submitted, six financial representatives specially selected for this purpose are added to the Court of Policy to form the Combined Court.

All this is both curious and interesting, and illustrates one of the reasons for the stability of the British Empire; viz., that conservative policy which we have usually adopted, in cases of transferred territory, of acquiescing in the prevailing system of government.

COMMON POLICY FOR COMMON PROBLEMS

It is evident that such geographical problems as are connected with government have been and will be solved by a variety of methods, some rooted only partially in the nature of the environment. There can in the nature of things be no codification of colonial law but there are some geographical problems common to all these tropical

portions of the Imperial state that are rooted in the soil and climate, and, as these are often similar though wide areas of land and ocean lie between the units, it is in this direction that the Imperial Government may hope to formulate some kind of common policy and action.

The foundation stones of man and his works today are the sciences, particularly the sciences of life. Yearly, more and more stress is laid upon research, particularly biological research, including applied biology, agriculture, and animal husbandry, with all that that implies. As a recent writer has pointed out, we have tried to conduct our scientific activities on the same lines as we conduct our governing methods, but with much less striking success.

Hitherto, each area has confronted its own problems separately. Now, the tropical regions are to be considered as a whole in the matter of research. There are no geographical boundaries or racial distributions for science, and what may be of benefit to one tropical dependency may also be of benefit to another. The Central African and the Malayan, the West Indian and the East Indian may alike share in the results of the knowledge of the men of science. Consequently, to bring into being a central organization where results of investigations may be pooled for the benefit of the whole, is one of the great works of this age. In helping forward the welfare of the inhabitants, both white and colored, of the British Empire, it also serves to help forward the welfare of mankind as a whole.

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Some Aspects of French Imperialism in Morocco Since the World War¹

By LUTHER HARRIS EVANS

IMPERIALISM has been blamed for many of the evils of the modern world, including wars, diplomatic and naval rivalries, international misunderstanding and friction, the fear of aggression, and the lack of a universal feeling of security and brotherhood among men. Imperialism is assumed to be a virus in the body politic, and its adherents and practitioners are viewed as possessed with some satanic quality which impels them to seek out the road to human disaster and promptly to follow it.

It seems to be seldom realized that when anti-imperialists come into power in a country which is executing an imperialistic policy, they, too, find it desirable to perpetuate this "world menace." Herriot did not withdraw from Syria; and MacDonald, his fellow socialist contemporary across the Channel, had to tell Zaghul Pasha some harsh things about British interests in Egypt and to disappoint ambitions for a wider grant of self-government in India. Communists and extreme socialists have been known to vote for military budgets to defend the "great civilizing mission" of their country in some backward area.

Even the great democracies have turned upon the road of imperialism, and have disproved the theory that autocracy is the inevitable associate of imperialism. High officials of the American Government have in recent times maintained that American doctrines of freedom, equality, and democ-

racy do not allow us to be guilty of that horrible crime of imperialism; they have intimated that nothing is farther from their thoughts than imperialism. Yet we are distinctly in the category of imperialistic nations, according to the meaning which we give to the term when we apply it to other nations. The story is the same in practically all imperialistic nations—the critics say a government is imperialistic, and the government maintains with a show of righteous indignation that nothing is farther from its mind—that it is merely maintaining the just rights of a sovereign state and attempting to carry out the duties of a civilized nation.

THE HYPOCRISY OF IMPERIALISM

In considering French imperialism, or that of any other country, it seems necessary, as a preliminary, to examine briefly this confused state of thought which we may term the hypocrisy of imperialism. This hypocrisy has many companions in the political world of the present time, but we are impressed with the importance of clear thinking about this particular subject of imperialism.

The present "age of imperialism" is due in no small measure to the development of an industrial civilization on such a large scale that the political boundaries have not been able to encompass the economic activities of a nation. It is an accepted theorem of political science that political stability and a regular and reliable administration are prerequisites to any high development of commerce and industry. Thus, when the industrial activi-

¹ This address was delivered before the Pacific Southwest Academy in July 1929.—EDITOR'S NOTE.

ties of modern nations overflowed into the unorganized and undeveloped regions of the world, the necessity of organizing those regions became acute and the desire and demand for their control by the respective home governments became predominant. The home governments, some of them with reluctance, found themselves compelled to assume control, run up the flag, send governors and troops, take upon themselves the white man's burden, and vouchsafe to a few of their nationals the profits and to many of them the costs of the enterprise. Thus the countries became imperialistic by permitting their peoples to develop and expand to a degree that necessitated protection abroad and in some instances the establishment of complete political control.

The result of this line of argument is simply this: So long as the bases of imperialism described above remain, and we continue to hold our philosophy of business above all else, imperialism will continue to flourish, and the governments of powerful nations will of necessity continue to glorify human freedom and national self-determination in word and to damn them in action. Politicians are thin-skinned on the subject of imperialism, and will, in order to maintain the support of their constituents, condemn most heartily a course of imperialistic action which they firmly believe to be the only sensible course of action.

Herein lies the explanation of the hypocrisy of imperialism. Imperialism is a natural outgrowth of our system of capitalistic nationalism, and the hypocrisy in which we now find ourselves enmeshed can be forsaken only by a change in our theories to admit the necessity of imperialism under the present conditions of our international life. The excision of the tumors of imperialism lies in the direction of in-

ternational surgery under the supervision of the League of Nations, and not in an attempt to kill the patient by the witchcraft of self-determination and the equality of nations, great and small, responsible and irresponsible alike. We must regard imperialism as a natural outcome of the economic fundamentals of the civilization of which we boast and which we desire to extend to others. And then we must look to the mandates system and other forms of international guardianship to give us relief from the bad features of imperialism.

In this study of French imperialism in Morocco, it is necessary to make clear the point that France is not to be censured for her imperialism *per se*, but rather for the mistakes and misadventures which have accompanied her imperialistic activities.

HISTORICAL SETTING

Prior to the 1912 treaty of protectorate between France and Morocco, there are certain events that should be briefly mentioned. Morocco had not been under the domination of a foreign power since the establishment of Arabic control by the conquest of North Africa by the followers of Mohammed. The Sultan of Morocco enjoyed a position of temporal and religious power quite independent of the Sultan and superior to that of the beys and deys and pashas of Ottoman dominions. The Sultan of Morocco was not particularly worried by the prospect of European encroachment until the second half of the nineteenth century. Various European powers then established certain important relations with Morocco of the type which frequently led to rivalry among themselves, and the extinguishment of the international personality of the backward state. The rivalries were obviously admitted by the Madrid

Conference of 1880 in its establishment of the "triple principle": Morocco should be recognized as a sovereign state, it should be free from partition, and it should grant equal treatment to all of the other signatories.

In 1904, Great Britain, France, and Spain asserted special interests in Morocco. By agreement, these three powers divided Morocco into a district where French influence was to predominate, and a district in which Spain would have first consideration. Great Britain got compensation by a degree of control over Tangier and a free hand in Egypt. German protests led finally to the Algeiras Conference, January 16–April 7, 1906. The result of this conference was the recognition of the French and Spanish zones for certain limited purposes, primarily that of police. French action under the Act of Algeiras brought German protests, which were taken care of somewhat by the accord of February 9, 1909, in which France agreed to "interpose no obstruction to the German commercial and industrial interests in Morocco." The German Government believed that France was not living up to this accord, and the famous Agadir crisis of 1911 occurred, to be followed by the treaty of November 4, in which Germany undertook to let France have her way in Morocco in exchange for a large colonial area in equatorial Africa.

The way was thus cleared for the French protectorate treaty of March 30, 1912. This treaty provides that France "may proceed to such military occupation of the Moroccan territory as it might deem necessary for the maintenance of good order and the security of commercial transactions, and to exercise every police supervision on land and within the Moroccan waters." France pledged constant support to the Sultan against all dangers. Control of foreign relations was placed

in the hands of France. All laws should be approved and promulgated by the French Resident.

FRENCH POLICY IN MOROCCO

It is a fact not frequently pointed out that the domains of the Sultan were far more limited at the time of this treaty than they are today. France was not content to exercise her protecting influence over the territories then under the effective dominion of the Sultan, but under the grant of authority just noted she sent her armies out into other lands to bring into subjection independent tribes which had never before recognized the political authority of the Sultan. France pursued this policy from the date of the establishment of the protectorate until the defeat of Abd-el-Krim in 1926, and to some extent after that date. This first aspect of French imperialism in Morocco may be designated, therefore, the policy of military conquest and political incorporation of hitherto independent tribes and peoples. One phase of this policy, the war with Abd-el-Krim, is treated more fully below.

The second policy pursued by France to which attention must be given is that of the centralization of the government of Morocco. This policy has been followed with the clear object of meeting the conditions of tribal independence. The government of the Sultan has been maintained and attempts have been made to strengthen it in the minds of the people in order to build up in them a higher degree of allegiance to the government of Morocco and thus indirectly to strengthen the French administration. Little attempt has been made by the French in Morocco to establish any self-governing institutions or to give heed to the demands for self-determination, although it must be observed that new

tribes being brought under control are allowed a certain limited autonomy in minor affairs. The authority left to the Sultan is an autocratic authority, for his government is not democratic or representative to even a very slight degree.

A third aspect of French imperialism in Morocco is common to almost all backward regions which have been brought under the ægis of European imperialism, namely, the widespread economic development of the country, in connection with both private industrial undertakings and public works. Many of the industries and the facilities of transportation and communication of Europe have been introduced into Morocco, and the transformation of this economically backward country into an economic appendage of Europe has gone on apace. According to French official documents, however, much remains to be done in the exploitation of the vast agricultural and mineral resources of the territory.

An economic policy of considerable detriment to the welfare of Morocco has been the introduction of the French franc as the basis of the monetary system, thus depriving Morocco of its fairly stable and valuable currency by hitching its destinies to the depreciated French franc. The justness of throwing such a burden upon Morocco seems open to serious doubt.

For the capital necessary to carry on the development of the economic resources of Morocco, French sources have been almost exclusively utilized. Equality of economic opportunity between French nationals and foreigners has been carefully avoided.

A fourth aspect of French imperialism in Morocco is found in the denial to this subject people of any standing in international law. Morocco cannot deal with the outside world. The treaty of protectorate of 1912 places

all Moroccan foreign relations in the hands of the French Government and its representatives in Morocco. Even the League of Nations cannot take cognizance of Moroccan claims or rights—no forum is afforded for the rest of the world to examine the principles employed in the administration of her affairs. No international pledge has been given by France to administer Morocco according to certain high standards, or to develop a constitution for her people, or to undertake to prepare her for eventual self-government and independence. It is of considerable interest to compare this situation with the position of Syria, in which case France has had to undergo very unwelcome criticism at the hands of the League of Nations.

THE RIFFIAN WAR

The war with Abd-el-Krim represents in a very vital connection some of the main characteristics of French imperialism of the postwar period. Abd-el-Krim, a member of the Riff tribe, had worked in a minor official capacity with the governmental organization in the Spanish zone of Morocco. When the Spanish troops were ordered to enlarge their sphere of control to bolster up the prestige of Primo de Rivera by capturing the hitherto unconquered tribes of the Riff Mountains, Abd-el-Krim resigned his position and became commander of the mountain tribes in their resistance to the Spanish forces. The Riff peoples wanted nothing so much as to be left alone, and it was only when attacked that they waged war against Spain.

It is a peculiarity of less advanced mountain peoples almost everywhere that they make forays into the valleys and plains to augment the products of their own labor by robbing the plainmen. Thus it was that the people of the Riff found themselves able to aug-

ment their supplies by occasional visits to the fertile Wergha Valley just across the boundary of the French zone. The Resident-General and commander of the French forces in Morocco, the great Marshal Lyautey, well realized this situation, and knew that if he fortified the mountains north of the Wergha River he would in all probability provoke an attack from Abd-el-Krim and thus be able to assist the Spanish in putting down the revolt, and indirectly strengthen his own position with the Moroccan tribes by ending the sympathetic revolts which the Riffians were encouraging. The region north of the Wergha was accordingly fortified in March, April, and May, 1924, despite repeated statements from the Riffian leader that no enmity was borne by his people toward the French and that no attack on the French was contemplated.

Later, when the Riffian troops attempted to make their way into the Wergha Valley, they found themselves opposed by the French troops. The French were able to consolidate their position around Aïn Aïcha in the region north of Fez, during the Summer and Autumn of 1924. The Riffs vied with the French for the loyalty of the tribes not yet under French control. In the late Spring and early Summer of 1925, more serious military conflicts took place, and the Government in Paris faced a hostile group in the Chamber of Deputies when new credits were sought to provide Lyautey with reinforcements. Vicious attacks on the French program were made from the floor of the Chamber, and desperate methods were found necessary if the Government in Paris was to support the Government in Rabat and Fez. Through a happy accident, the Prime Minister, M. Painlevé, hit upon the expedient of an airplane trip to Morocco. Upon his return to France

he made a vigorous fight for the passage of the war credits for the Moroccan campaign, on the basis of the danger to French prestige and the French position in Africa. With the issue sharply drawn between withdrawal and war credits, successive votes of war credits were forthcoming by a large margin. The Parliament was told that a contest was on to see whether North Africa should be held by the white man or the black man.

The consequent events in the Riffian war do not concern us, further than to say that France was able to capture Abd-el-Krim in the Spanish zone only after a long and costly campaign and the failure of the Conference of Ujda in April 1926 to reach a settlement. The lesson of the war may be stated as follows: France has shown herself ready, in her imperialistic policies in Morocco, to meet any opportunity to crush by force an attitude of non-subjection to French authority, even at very great cost.

SUMMARY

In conclusion, French imperialism in Morocco in the postwar period may be criticized from three angles. In the first place, it seems to have emphasized to too great an extent the extension of political domination over previously unconquered tribes. In the second place, too much emphasis has been placed upon the establishment of a highly centralized and undemocratic system of government unadapted to the modes of life and the traditional outlook of the people being dealt with. And thirdly, Morocco has been tied too closely to the metropolis for her welfare. Many of the undesirable features of economic imperialism have been present.

If the situation in Morocco is compared with that in Syria, it will be found that Syria has a better record on

each of these three points. The better record is due to the mandate and other international undertakings in the case of Syria, and to the effective pressure of opinion made possible by the successful operation of the machinery of supervision under the mandates sys-

tem. Nations must undertake the type of irritating obligations which France has undertaken in Syria, and has not undertaken in Morocco, if their imperialism is to be effectively checked in the interests of local welfare and world peace.

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Mussolinian Italy Among the Nations¹

By HENRY R. SPENCER

THE Romulus of legend founded Rome. As Remus presumed to flout or defy, Romulus slew him. Fate seems to decree Italy such a history again and again; as we are reminded by such names as Marius and Sulla, Julius Cæsar and Brutus, Guelf and Ghibelline, Medici, Sforza, Borgia. There is creative will, fratricidal strife, and after that, authority based not on consent but on mastery, and its counterpart, weary, supine acquiescence.

Mussolini, exploiting the national tradition of the Savoy monarchy, has risen above it to set up a unified, highly centralized Fascist power, which is not responsible to parliament or constitution, but is frankly and absolutely autocratic. Like the empire of Napoleonic France, it aims to compensate the loss of liberty by economic benefits. Devoid of a basis in popular consent, it maintains itself by force; for Order's sake it sacrifices Law. The prime minister is a despot, like a Carolingian mayor of the palace, or a Japanese shogun. He rules in the name of the King, naturally; but the latter has no more political significance than does the flag floating in the wind, symbol of the Nation's majesty. Mussolini is secular pope, if one may call secular so religious a matter as the service of the sacred Nation. With his hierarchy of assistants, his conclave of Fascist grand councilors, his public allocutions elaborately staged to dramatize the mysteries of national service, he becomes the object of a real adoration. To question his wisdom is heresy, worse than treason. He is the Leviathan of

Hobbes, the perhaps mortal god, personifying Italy, by his intuitions guiding and governing.

MUSSOLINI'S INTRANSIGENT NATIONALISM

International affairs have been Mussolini's chief interest ever since his assumption of power. Lord Curzon, that "most superior person," might refer to him as "preposterous." But Curzon is gone, and Mussolini is still here, dealing with Curzon's successors. Whatever the tone or tallness of his talk, Mussolini's deeds in foreign relations have shown him to be a dry realist,—not a Napoleon III, but a Bismarck on his smaller stage. As such, he knows Italy's limitations, devoid as she is of the raw materials (especially coal, iron, and oil) necessary to her production, obliged to import a large portion of even her food, and exposed by her geographical situation to the power of a hostile fleet. Yet the central consistent principle of his policy is intransigent nationalism. With the exaggeration natural to the newly arrived, he insists in season, out of season, that Italy is a world power, with a destiny that is Roman in scope. Her status as a great power was recognized even in the League Covenant, which gave Italy one of the five permanent memberships of the Council. Even in the secretariat, presumably chosen for expertness rather than national representation, Italy claims permanently one of the under-secretaryships, because all the other great powers have them. The Roman destiny is less clear, and perhaps may be regarded as propounded for home consumption—a necessary exaggeration to overcome in

¹ Address delivered before The Pacific Southwest Academy in July 1929.—EDITOR'S NOTE.

Italian public opinion the long-standing tradition of inferiority.

A dictator is condemned by his constitutional position to the risky business of constantly manifesting greatness and inspiring it in his people. Long chances are thus taken, that hopes may be unduly inflated. If he talks too much about *Der Tag* (the day of European reckoning, a dozen years hence) or about the *gloire* with which Napoleon's France was wont to be bemused, a crisis may find him unable to hold in leash the dogs of war he has bred—the popular imperialistic ambition his own words have constantly fostered.

But for the present decade, Mussolini is discreet. Bismarckian; and his foreign affairs speeches of recent years, reviewing in detail to the senate the whole world position as regards Italy's needs and purposes, have been commented on by the world's press as moderate and statesmanlike.

ALBANIA AND YUGOSLAVIA

Mistress of the Adriatic, Italy looks East to an important rôle in the Balkans. The very lie of the peninsula, hanging from the continent as much southerly as easterly, draws her that way. Albania, directly across the strait, she is leading toward a relation that is not greatly different from that of Cuba to the United States. Albanian nationality is fostered, against Greek and Yugoslav desire to partition between them the whole difficult, almost barbaric mass of mountaineers. Italy truly says that she is bent on a helpful mission of pacification in Europe's behalf, preventing Albania from becoming another Macedonia, focus of the infection of disorder and Balkanism. Albania is supplied by Italy with roads, schools, engineers, and postal and banking facilities. Her president crowns himself as King

Ahmed Zogu with Italy's approval, since the state of Albania is under protectorate, and peace is more hopefully expected from a régime that is free from the politics which in so backward a country are more used to the settlement of questions by bullets than by ballots. About three fifths of Albania's little foreign trade is with Italy. The cynical delight to point to an oil exploitation concession in which Italian enterprise and British capital are involved. But though private profit may be involved, that does not brand the Italian action as merely sordid. Italy is doing a civilizing work. She desires a strong Albania as England desires a strong Belgium, partly because it is a vital necessity to her own safety, and partly because she is thereby contributing to Europe's safety.

Among the Balkan countries that neighbor Albania, Italy's relations are various. They have mostly been complex, sometimes hostile; but present prospects are good for an Italian economic penetration that harms no independent national life but enables Italy usefully to mediate between the West and the Southeast of Europe, bringing in French and British and American capital to be applied by Italian labor, enterprise, and organizing skill. This area, four times her own, economically backward, with stores of the raw materials she lacks, provide Italy the mine and the market she greatly needs, but she provides them the technical and organizing service which they equally need.

With Yugoslavia, Mussolini says, Italy must be on terms not of indifference, but of either friendship or enmity. That is not merely a realistic view, but a polite invitation, with veiled threat, to Yugoslavia to sign a settlement of border disputes. Fiume has long since ceased to be a matter of dispute; it is

definitely incorporated in Italy, the Free City experiment having failed under the lawless but irresistible pressure of Fascism. The details of border regulations, police and commercial, were accurately provided in certain conventions signed at Nettuno in January of 1924. Italy had much to gain from them, and signed at once. Yugoslavia's ratification dragged on until the Summer of 1928. The pressure upon Parliament exercised in their behalf by the Yugoslav Foreign Minister was the one straw sufficing to finish the camel of Yugoslav constitutional unity. The Raditch parliamentary murder, the Croat secession, and the Slovene attempt at a premiership by Father Koroshetz followed in rapid succession and led to the breakdown of the Constitution. Unable to cope with the Serbo-Croat feud, King Alexander makes his stroke of state and establishes a general at the head of a ministry that depends solely upon the King's intuitions of the Nation's needs. It is perhaps more like a Spanish or Polish coup d'état, but an Italian dictator also may very likely be rubbing his hands in unholy glee over the flattery of such imitation.

GREECE, RUMANIA, AND BULGARIA

The Venizelos of 1919 may have been "one of the world's great statesmen," but the Greece that was expelled from Smyrna and endured the antics of dictatorial General Pangalos is a chastened, defeated, fourth-rate power, and makes no difficulties for Italy. The Dodekanese and the Rhodians do not forget that they are Greek in culture and sympathy, but official Greece has forgotten them, and even Venizelos sojourns and converses amicably in Rome on the basis of that abandonment. Corfu is forgotten. The treaty signed by Venizelos and Mussolini is in its terms a statement of a common in-

tention to settle all disputes by amicable means. But the purpose of the signers is not so much juridical construction as political amity. Italy is regarding the affair as only one half of a constructive achievement whose other half was prepared not long before, when Tewfik Rushdi Bey agreed to a somewhat similar treaty between Italy and Turkey. Their common friend Italy is striving to bring the ancient and recently bitter enemies, Turkey and Greece, into a common accord—a bridge from Athens to Angora by way of Rome. An Aegean Locarno would mean for Italy, as the Rhineland Locarno of 1925 meant for Great Britain, a wide and growing market—one of the chief desiderata of idealist statesmen. Between Greece and Turkey, blessed are the peacemakers: the Lord shall prosper them.

Rumania, Italy gratified by ratification of the Bessarabian claim as against Soviet Russia. There have also been evidences of a hope that the eastern Latin sister might be persuaded to cultivate Rome rather than Paris, commercially and politically.

Bulgaria has always had hard times with her responsibility for Macedonian *comitadji*, those brigands, disturbers of Yugoslav peace, who are at the same time amiable patriots of Bulgarian Irredentism. It came to such a pass in the Summer of 1928 that France and Great Britain brought pressure jointly upon Sofia against that brigandage, somewhat after the manner of nineteenth century joint pressure upon the Ottoman Sultan for repression of brigandage. Italy rather ostentatiously refused to join in that exercise of pressure—another instance of her wooing of defeated powers. This may be chivalrous politics, but it is principally good business in the interest of Italian economic penetration of the Balkans.

AUSTRIA AND HUNGARY

In relations with Austria and Hungary, Italy seems to have rid herself completely of the obsession that was so natural, in view of the history of her anti-Metternich *risorgimento*. The tiny republic of Austria, condemned to weakness by the political feud of Catholic peasantry versus Socialist Vienna, and by the impossibility of economic life for a monster that is all head and no members—Austria, Mussolini need not give a thought to, except as his harsh measures for Italianizing the German-speaking Tyrolese arouse a little sympathy in the outside world. But a sharp look suffices to quiet Austria's lamb-like protests.

For Hungary, on the other hand, a Hapsburg kingdom without a king—just yet—Mussolini shows marked favor.

The reason may be found in his willingness to limit the significance of France's protégé, the Petite Entente. Czechoslovakia, Yugoslavia, and Rumania will not listen to a suggestion of revising the treaties of 1919, of allowing Hungary to recover somewhat of the territories and the peoples that she ruled for a thousand years, the loss of which she will not accept as definitive. She regards that deprivation as a crime (like Poland's partition) crying to Heaven for redress from any source, even mistakenly relying on Lord Rothermere's London press. Mussolini finds in Hungary's case a convenient occasion for keeping alive the idea of treaty revision. His Italy feels that after winning the War, she went to Paris in 1919 and there lost the peace.

Or rather, Fascists would say, Italy's old régime statesmen betrayed her at Paris; at an early opportunity, Fascist Italy must by revision secure justice.

GREAT BRITAIN AND THE UNITED STATES

Toward Great Britain, Italian policy is coöperative. There is financial assistance from London towards stabilization of currency and business. In the eastern Mediterranean, there is an Italian policy which comes closer to grips than Great Britain conveniently can with Balkan, Levantine, and especially Turkish problems, Italy acting as Great Britain's intermediary.

The United States, Mussolini has sedulously courted, as was natural in view of war debt relations. Count Volpi in Washington was equally emphatic in expressing Italy's intention to pay and in expounding her inability to pay without very substantial cancellation. His mission was entirely successful. But, more important, the way was thus opened for loans; their scale is incapable of accurate estimate, but is doubtless enormous. Some go so far as to say that Italian industry has come into a vast, far-reaching dependency—has become an economic colony of Wall Street. That is not necessarily detrimental, any more than was nineteenth century America's economic dependency upon London and Paris capital; it means interdependence as well. But it may signify as well, Wall Street's pecuniary interest in, not to say guaranty of, the Mussolini régime, and will make still more demands on the conscience of Washington, already burdened with difficult enough responsibilities assumed in what is sometimes called "dollar diplomacy."

FRANCE

Italy's most difficult interrelations are with France, her elder sister in the Latin family. Gratitude for Napoleon's help in 1859 is cancelled by the memory of French armies in 1848 and

garrisons till 1870, standing in the way of Italian unity. Tunis, after nearly fifty years of French occupation, contains far more Italians than Frenchmen, and the problem of their second-generation absorption into French citizenship remains embarrassing to this day. There is envy of the vast French possessions in Africa and Asia, where Italy's hands are empty in comparison. The press busily advertises French errors and disasters in Syria, and not too shyly suggests that Italy might be substituted as mandatory.

The Italian religious orders are growing fast in the whole eastern Mediterranean, tending to surpass the long-standing French activities of that sort and to make Italian rather than French the *lingua franca* in that part of the world, with whatever consequences that factor may signify for commercial advertising and the spread of the culture of Rome rather than that of Paris. Fascist Italy is proud of the fertility of her population, and Mussolini likes to refer to a relative sterility in France, which is interpreted as a sign of decadence. Likewise, a lira worth five cents as compared with a franc worth only four is a source of infinite satisfaction, however questionable in long-run economic policy such prestige-finance may be. Volpi the banker has been succeeded as Minister of Finance by a Mint-Master.

Border incidents, Seine jury acquittals of anti-Fascist murderers, and

such occurrences, have furnished plenty of varied manifestations of popular irritation, which is mutual. If French diplomacy had been less technically skillful, if it had been led by a less conciliatory statesman than Briand all these years, one can easily imagine Franco-Italian war on many occasions, to judge from the press indications of the will of the people in the two cases. But a more fundamental factor is Mussolini's will, which is for peace—for the present. In view of the French Army, French aviation, and French wealth, that is what realist diplomacy requires and gets—for the present.

THE LEAGUE OF NATIONS

In view of the dominant policy of intransigent nationalism, little need be said regarding Mussolini's attitude toward the League of Nations. He is "correct" and that is all. Italy conforms perfunctorily (save in the hot-blooded blunder of Corfu), but makes absolutely no contribution to the co-operative spirit of the League. Mussolini signs the Kellogg-Briand pact, but has no confidence in its value, and almost makes fun of it in his own Parliament. He is willing to disarm to the limit—as and when other states do, always on the condition that reduction is not proportioned to the *status quo* (Italy having been behindhand in preparation) and that in the resulting situation, Italy's armament is not below that of *any* other Continental power.

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The Prospects of Peace in Europe¹

By ROBERT J. KERNER

IT IS the purpose of this paper to examine the existing situation in Europe in the light of efforts which have been made since the World War toward the solution of problems affecting peace.

NATIONALISM AS A CAUSE OF WAR

It is evident even to the casual observer that in the perspective of modern history, one force—nationalism—has triumphed over all others and is triumphing throughout the world. In its wake, the world is being decentralized politically. This process, sometimes called Balkanization, did not begin in the Balkans. It began in Western Europe in the Middle Ages and has gradually spread east and west. Social scientists have declaimed at length against it, showing its destructive character and its dangers to peace, but they have been no more effective than those who would bid the waves be still.

Nationalism has been one of the motive forces behind most of the wars of modern times, and the World War was no exception to this fundamental trend. In it, nationalism again triumphed. New nations were created. Such empires as increased their territories had to make concessions to this force through the mandatory principle, in one way or another. Under the stress of this force, the British Empire has been transformed into a commonwealth of nations by the granting of dominion status, and the Soviet Union has sought to solve the problem by allowing for a large measure of cultural

autonomy. In both, nationalism is admittedly on the increase. Even with the triumph of Communism, which claims through cultural autonomy and party discipline to solve problems of nationalism, it is not certain that German, French, and English Communists, once firmly in the saddle, would view international questions in any light except as a reaction of their respective nationalities.

But alongside of this political disintegration has developed the economic interdependency of the world as a whole. Enlightened statesmen, then, must deal with these two contradictory developments, the one breaking up the political world as we have known it, and the other bringing it together as it has never been before. The chief problem of contemporary statecraft is to find a way in which nations may retain the power to govern themselves and at the same time coöperate to solve the common problems of international politics and economics. While this remains the goal of the efforts of forward-looking statesmen, their immediate endeavors since the World War have been devoted in practical politics to stabilize armaments long enough to bring those problems which cause this situation into the realm of adjustment and solution.

To stabilize armaments is not to solve these problems. Armaments are the symptoms of unsolved problems. Armaments of themselves do not necessarily bring about wars; and nations totally disarmed in the usual sense of the word may nevertheless engage in war. Neither of the extremes of preponderance of armament nor of

¹ Address delivered before The Pacific Southwest Academy in July 1930—EDITOR'S NOTE.

total disarmament would solve the problems which confront contemporary civilization. The causes which produce war would still remain. Nor is the question of stabilization or limitation of armament one of the sea, or the land, or the air separately. It is all three together, for most nations seek their security not through one or the other exclusively, but often by combinations of them according to fixed geographical, strategic, racial, and economic factors involved.

NATIONS INSIST ON SECURITY

Experience has also shown that nations will not limit their armaments nor reduce them without agreements which give them security. This is not a French thesis, as it has often been called, but it is a national thesis. That it is common to all nations can be seen from any objective analysis of the ways it is proposed by nations to limit armaments.

The promise to Germany and the defeated powers that the victorious powers would limit their armaments to the "lowest point consistent with national safety," and the rejection of the Treaty of Versailles by the United States, bringing with it the failure of the Tri-Partite Treaty of Guarantee between France, the United States, and England, were the immediate origins of the steps which were undertaken to obtain security or to limit armaments. It was seen on the one side that the promise to the defeated powers must be kept, and on the other, that the League of Nations, which had failed to become a league of *all* nations, could not offer sufficient security through its Covenant alone. This led to the French system of alliances as a counter to the loss of the Tri-Partite Treaty, and to efforts by the League to draft a universal security treaty which became known as the Treaty of Mutual Assistance in 1923.

At the same time, the danger of conflict in the Pacific between two of the Great Powers, as well as the desire to stabilize naval armaments for economic reasons and to obtain security, led to the Washington Conference for the Limitation of Naval Armament in 1921 and 1922. Here for the first time was established a ratio between the chief naval powers, the main purpose of which was to stabilize the building of battleships; but the Conference failed in the other categories of naval armament. The question of the limitation of land armaments was excluded on the ground that it might involve the United States in problems in which it was believed it was not concerned. There is no doubt that the restriction of the discussion to naval armament alone was at least partly, if not mainly, responsible for the meager results obtained even with regard to naval armament.

Meanwhile, the Draft Treaty of Mutual Assistance was completed. It provided for a general treaty of security declaring aggressive war an international crime, the League Council to determine the aggressor in four days after the opening of hostilities. Mutual assistance to the attacked state was to be rendered in the manner determined by the Council. Regional defensive agreements, open to all states within certain regions, were to be permitted to supplement the general treaty of mutual assistance. From this it will be seen that the arrangement was at best a compromise between those who favored material guarantees and those who put their trust in statements of a general nature without subscribing to practical commitments. The rejection of this effort by powers in the latter group was foreseen in the discussions in the committees and the League Assembly. To them it smacked too much of old-fashioned

military alliances. To them it over-emphasized security and gave too little attention to other ways of promoting peace.

The next attempt in the League resulted a year later in the Geneva Protocol for the Pacific Settlement of International Disputes. Here, those who had rejected the Draft Treaty of Mutual Assistance made a special effort to outlaw aggressive war, to require compulsory arbitration of international disputes, and to apply the principle of sanctions. Arbitration, security, and disarmament were linked together in one process. The League thus reached the furthest it has ever gone on the road to a universal pact which would deal with all the problems concerning the maintenance of peace at one and the same time.

THE LOCARNO TREATIES

The Geneva Protocol was rejected by the then new Conservative Government of England and by others, though seventeen states had signed it. Because of major responsibility for its rejection, England then proposed regional agreements for special problems in place of a universal treaty. The result of this change of front by England was the group of treaties known as Locarno, signed in October 1925, whereby the Rhine frontier was put under a special system of guarantees by England, France, Germany, and Italy. Treaties for arbitration between Germany and Poland and Germany and Czechoslovakia to minimize danger of war in the East were also signed. These were supplemented by special alliances between France and Poland and France and Czechoslovakia which would operate only in the event of the violation of the Locarno Treaties by Germany.

This shows the manner in which states are willing to transform their

agreements when the problem of security is actually tackled. At the same time, Germany was not limited in her right to raise the question of a peaceful revision of her eastern frontiers under Articles II and XVIII of the Covenant. It was hoped that the Rhine Locarno would soon be followed by Locarnos in Eastern, Central, and Near Eastern Europe. In this manner the main ideas of the Geneva Protocol, of which Locarno was a regional application, might be spread throughout the world. But the treaty of Germany with the Soviet Union in 1926 and the "No, no, never policy" of Hungary, together with the fact that the reparations problem and the evacuation of the Rhine had not yet been adjusted, led to the postponement of any such hopes.

SOVIET PROPOSAL FOR DISARMAMENT

Meanwhile, the Preparatory Commission of the League of Nations continued its labors through 1927 and 1928 on the problem of disarmament, at the same time that the naval powers attempted to get together at Geneva and failed. The representatives of the Soviet Union presented in the Spring of 1928 a plan for immediate and total disarmament. They had advocated the idea before the World Economic Conference in 1927 as the last of their program of eleven points. With the exception of the German representative, the members viewed the Soviet proposal as shrewd propaganda and pointed out that the nations concerned would limit armaments only in proportion as they received guarantees of security. The chief criticism of the Soviet plan of disarmament came from Lord Cushendun, the British representative, who, in his speech on March 20, 1928, declared:

I have another point to refer to with regard to the spirit in which these proposals

come before us. I think the point I had in mind was alluded to at least by the honorable French delegate, and I think also by the Italian delegate. Admittedly one objective is to establish, if we can, the peace of the world on a sure basis, and I assume that the desire of the Soviet Government is also to establish peace. But, Mr. President, what kind of peace?

There are two kinds of war and where there are two kinds of war there are two kinds of peace. The two kinds of war are, of course, international war and civil war, and, of these, civil war is the more horrible. It is a fair question to ask, I think, whether the Soviet Government set their face against civil war as resolutely as against international war. I refer to civil war not only in their country—with which we are perhaps not concerned—but in other countries. That is a perfectly fair question to ask because—I am speaking of things that are notorious to the world—for years past the whole basis of the world policy of the Soviet Government, as expressed both by their leading men and by their Government-owned newspapers, has been to produce by some means or other, armed insurrection—which amounts to civil war—in every country where they can exercise any influence. If that is so, therefore, I think before we proceed much further, some assurance should be given to us by the Soviet representative that in that respect there is to be a complete change of policy. We ought to be told whether the Soviet Government have now decided, in contrast with their recent policy, no longer to interfere in the affairs of other nations and to leave to all other nations complete liberty to maintain and develop their own institutions in any way they like. Unless they are prepared to give us some such assurance as that, we are faced with the unpleasant fact that they themselves and their policy will be, as they have been recently, the largest obstacle to the carrying out of any such far-reaching proposals as they themselves have now put before us. I submit that as a very important point for the Commission to decide.

. . . In a similar connection, may I call the attention of the Commission to Article 15 (of the Soviet Plan)? There we are told that revolvers, as well as sporting guns, are

to be permitted under licence, and that the revolvers are intended for personal defence. Is not that rather a curious provision for a civilized country in the twentieth century? Bear in mind that there are to be no means of national defence. That would be a most sinful thing. That would be incompatible with the great ideal which is the principle underlying these proposals—no sort of defence of your country, but carry your revolver to protect your own life.

Therefore it appears that even the local police, armed with rifles, are not sufficient to give protection to the citizen. I submit that, whereas a provision of that sort may possibly be required in parts of the world where human life is not very adequately protected, it is wholly unnecessary in countries like those with which I am most familiar, where the citizen does not go about his daily work in constant fear of his life. I think that in these days it is the duty of the state to protect the life of the citizen and I must say I am surprised—among other causes of surprise—that from the Soviet Government should come this provision of exaggerated individualism in which the defence of the private citizen, elsewhere committed to the state, should be placed in his own hands and that he should be armed with revolvers at the very moment when all sorts of armaments are to be abolished.

The Soviet representative regarded this statement, with its leading question, as an insult and refused to answer it, though he took pains to criticize the disarmament policy of the capitalistic powers. Enough space has been given to bring out the points at issue and to indicate why some powers, at least, will not consider complete disarmament.

THE KELLOGG PACT AND THE LONDON NAVAL CONFERENCE

It was under such circumstances that the Kellogg Pact for the Renunciation of War was launched. The nations which signed it—and nearly all have done so, including the Soviet Union—renounced war as an instru-

ment of national policy. A Pact-breaking nation thereby releases all the other signatories from their renunciation of war toward it and gives each of the released nations the right to choose its policy toward such a nation. In other words, the Pact permits neutrality under the circumstances. In a similar manner, under the Covenant of the League of Nations, it has become clear that a form of neutrality is possible toward a Covenant-breaking nation. It is for these reasons that a thorough examination of the laws of neutrality has been urged. In some circles, it has been thought to remedy the situation by embargo declarations of one sort or another against the Pact- or Covenant-breaking nation. American neutrality in such a situation, it has been realized, might be a serious matter for the peace of the world.

The recent London Naval Conference succeeded—so far as three naval powers were concerned—in extending the beginning made in the establishment of naval ratios at the Washington Conference to further categories of ships and naval equipment. It failed particularly in making the transition from powers which can obtain their security chiefly by means of limitations on naval building, to powers, like France and Italy, which can obtain their security chiefly through land armaments, though in combination with naval and air equipments. An effort to make a consultative pact for the Atlantic, similar to that already in existence for the Pacific as agreed on in the Washington Conference, failed because the unsolved problem of land armaments is much more complicated than that of naval armaments.

Nevertheless, the London Naval Treaty may be regarded as a decided advance over that of Washington, even though it clearly pointed out the possibility of its uselessness if the more

complicated problem which involved essentially land armaments was not solved. Since it involves the validity of the agreements which offer security to naval powers, it is expected that they will be inclined sooner or later to assist in its solution. In other words, the problem of the limitation of armaments, it is becoming evident, is not to be solved as a part, if the whole, involving land as well as naval armaments, is not brought into agreement.

THE BRIAND PROPOSAL

Involving directly the security of states with land armaments has been the most recent proposal of M. Briand for a United States of Europe. It came on the heels of the London Naval Conference, the successful reception of the Young Reparations Plan, the evacuation of the Rhine, and the possibility of the entry of the United States into the World Court.

The Briand Proposal advocates the need of establishing political friendship or entente among the League members in Europe before confidence can be gained by them to proceed to an economic entente and to the problem of disarmament and security which is stressed as the basis of the situation. The Proposal suggests, if one looks into the future, the regionalization of the League, with Europe as one region more closely bound together as a beginning. There might be other regions, like Pan-America, so long favored by the United States, in which the United States might continue to play her leading rôle as in the past, though only loosely connected with the central organs of the League.

Advocates of the League, who insist that it must become universal before it can discharge the duties expected of it, will favor such a reorganization of the League. Some critics of the Proposal point out that economic ententes

should precede questions of political agreements and security. Others insist that not only members of the League be included, but also the Soviet Union and Turkey. The position of the British Empire and of European colonies has cast doubt upon the idea of attempting to regionalize at all. The defeated states have raised the question of the revision of the boundaries created at Versailles, and put this before any other steps in the bringing of Europe together on some such basis as that proposed by Briand.

DETERMINED EFFORT NEEDED TO
PROVIDE FOUNDATION FOR PEACE

Whatever one may think of the possibilities or impossibilities in the situation, one can at least say that the Briand Proposal is another attempt to tackle the fundamental problem of peace for the war-ridden Continent. It cannot help making clearer, if indeed that is necessary, the urgent need of statesmen to stabilize all kinds of armaments, and, in the atmosphere of peace, to direct their attention to those problems the failure to solve which makes armaments necessary.

The world-wide economic depression, in addition to endangering the financial structure of Europe, further emphasized the need for limiting armaments and thus encouraged statesmen to believe that a world disarmament conference might have some measure of success. It was while the call to assemble at Geneva early in 1932 was still fresh in the minds of the public that the Manchurian incident began to develop into a serious international situation in which all the machinery of peace was strained to the utmost. Under such inauspicious conditions the Conference began its labors in February.

Forward-looking statesmen have sought to give the world a breathing spell to solve the problems which may lead to the next war. They can succeed only if the nations themselves—and that means the enlightened leaders of each nation—will bend their efforts to that end. National security based on a relatively adequate defensive equipment and an aggressive offensive to solve the problems which may cause war appear to be the elements of sound foreign and internal policy at this time.

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THE PRESS
AS A FACTOR IN
INTERNATIONAL RELATIONS

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INTRODUCTION

THE modern state and the newspaper have developed simultaneously during the course of the last three centuries. While political unrest was leading to the breakdown of absolute forms of governmental power, the same forces which were at work in human society fostered a growth of a new technique of human relationships—the newspaper. The democratic state in theory made government an affair of the people; the newspaper made information about politics the common knowledge of the literate world.

Sovereign states are the subjects of international law. In the absence of a paramount international public force and coördinating executive and legislative organs, the relationships between these states proceed by negotiation, barter, and coercion, with war always standing in the background as a tool to be used as an alternative to coöperation.

Diplomatic relationships are matters of governments. In nearly all the nations of the world, governments are held responsible to the people by frequent election and by dependence upon certain chambers of the legislature for approval of their foreign policy. As a result of this situation, statesmen, who are at the same time practical politicians, must shape their policies with reference to the active or potential reactions of their political publics.

The newspaper, with its quick news-gathering and distributing technique, forces international affairs to take place in the light of publicity. The wide prerogative granted to the press, both in political theory and in constitutional fact, gives it a vital, direct, but irre-

sponsible position in the area of international life.

The press as a factor in international relations has brought with it several reactions. In the first place, there have arisen in connection with foreign offices and embassies, press bureaus. While the significance of these offices is indeed a moot question, they do serve, when fairly judged, to furnish news to correspondents and at the same time to encourage the press representatives to work in coöperation with the government. In the second place, the press has become an instrument of diplomatic strategy by which statesmen speak directly to the people in the hope of bringing a wave of popular reaction against particular governments. In the third place, there are efforts to control the press and subject it to organized professional responsibility. In many countries journalistic courts have been instituted, and in 1931 an "International Court of Honor" was established at The Hague.

The place of the press in the organization of peace is a subject of vital interest at the present time. What men read does make a difference on how men think and act. In no area of social life are the mass of people farther removed from the sources of information than in the field of international political life. Hence, their dependence upon the newspapers for facts is all the greater. All the greater also is the necessity for knowing what forces drive the press and what consequences, for example, accrue from its peculiarity of winning publicity and increasing its circulation from the treatment of international problems.

An appreciation of the nature of the structure and functioning of the press in international affairs therefore is essential to an understanding of the close relationship which exists between international politics and international journalism, for the products of both

have become the everyday affair of the reading publics of the world.

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CHAPTER I

The Organization of the Press at the Disarmament Conference

A Study of the Relationship between Journalism and Diplomacy

JOURNALISTIC technique, wedded to the means of modern communication, has made the deliberations of diplomatic representatives of sovereign states in international conferences and the discussion of the reading publics of the world over the course of the negotiations almost simultaneous phenomena. The telephone, the cable, the wireless, and the airplane have both facilitated and necessitated reformations in the art of diplomacy which are of far-reaching significance.

Technological developments have made it possible, in the first place, for delegates to pursue their policies in almost constant and immediate contact with their governments and foreign offices at home. The press, through its persistent and continuous inquiry, operates as a serious handicap to the so-called "secret diplomacy." The reports of correspondents, read and discussed in the various nations, lay the foundation for a healthy interaction between an informed public opinion and national governments on the one hand, and between these national governments and their accredited representatives at the seat of the conference on the other. While the means of communication enable the foreign offices to instruct their representatives specifically on each step of the negotiations, journalistic enterprise has brought about a situation in which the foreign offices themselves must shape the advice in the current of a public

interest which operates directly and sometimes very tellingly upon the government. Journalism has become an important instrument in the process of contemporary diplomatic relations.

A cross-sectional analysis of the press as it actually functions in international relations can perhaps best illustrate the character of this union of the political state and the circumjacent but independent press. An examination of the press organization at the Conference for the Reduction and Limitation of Armaments, assembled on February 2 at Geneva under the Covenant and leadership of the League of Nations, gives a concrete picture of the part which journalism plays in contemporary international life and how it plays that part.¹

I. ACCREDITED JOURNALISTS AT GENEVA

Because journalists enjoy certain prerogatives in the execution of their duties, and because many persons beg these privileges for themselves in their desire to share in the journalists'

¹ The writers wish to express their appreciation of the assistance given them in the preparation of the present study by Clarence Streit, Geneva correspondent of the *New York Times* and president of the *Association Internationale des Journalistes Accrédités auprès de la Société des Nations*; Arthur Sweetser, associate director of the Information Section; Miss G. V. Ward, directly in charge of press arrangements at Geneva; and Dr. Fost Terhaar, director of the Berlin office of the League Secretariat.

TABLE I—PRESS CORRESPONDENTS ACCREDITED TO THE DISARMAMENT CONFERENCE,
CLASSIFIED ACCORDING TO NATIONALITY

State	Total Accredited to March 17	Representing Individual Papers	Representing News-Gather- ing Agencies	Total Officially Listed as Having Left Geneva on or before March 17	Membership of <i>Association Internationale des Journa- listes Accrédités auprès de la Société des Nations</i>
1. Albania.....	1	1			
2. Argentina.....	4	4			2
3. Australia.....	1		1		3
4. Austria.....	8	8		2	4
5. Belgium.....	9	8	1	2	4
6. Brazil.....	4	3	1	1	
7. Bulgaria.....	7	6	1	1	
8. Canada.....	3	1	2	1	1
9. Chili.....	1	1		1	
10. China.....	4	4			1
11. Costa Rica.....	1	1			
12. Czechoslovakia....	10	8	2	1	6
13. Danzig.....	2	2			
14. Denmark.....	8	6	2		2
15. Esthonia.....					1
16. Ecuador.....	1	1			
17. France.....	68	62	6	9	26
18. Germany.....	42	34	8	5	33
19. Great Britain.....	34	22	12	12	18
20. Greece.....	2	2			2
21. Hungary.....	5	5		1	5
22. Iceland.....	1	1			
23. India.....	3	3			
24. Italy.....	14	13	1	2	5
25. Japan.....	12	8	4		2
26. Jewish Press.....	5	3	2		
27. Latvia.....	3	3			2
28. Lithuania.....	2	1	1		1
29. Netherlands.....	9	8	1	2	6
30. Norway.....	2	2			2
31. Poland.....	10	8	2		6
32. Portugal.....					2
33. Rumania.....	9	8	1	3	5
34. Russia.....	3	1	2		1
35. Saar.....	1	1			
36. South Africa.....	1	1			
37. Spain.....	4	3	1		7
38. Sweden.....	5	5		1	2
39. Switzerland.....	42	37	5	2	16
40. Turkey.....	1		1		
41. United States.....	61	38	23	25	17
42. Yugoslavia.....	5	5			10
43. Miscellaneous.....	24				
All correspondents...	432	328	80	71	192

liberties, it is necessary in Geneva, as elsewhere, to establish the identity of the bona fide representatives of the press. Formalities regulating press admission to the buildings and the sessions of the League nevertheless are reduced to a minimum. Every effort is made to avoid preferential treatment, to admit every one entitled to admission, and to enable work to be done under suitable conditions. The identity of journalists is officially established by the communication of a letter from the editor of the agency, newspaper, or publication represented to the Information Section of the League of Nations. Special cards are then issued entitling the journalists to all the privileges which the League has provided for the convenience of the press.

On March 17, two days before the Easter recess of the Conference began, a total of 432 individual journalists had been accredited. Of this number of correspondents, as Table I shows, 328 represented individual papers, and 80, news-gathering agencies. Of the 40-odd nations represented, France, the United States, Germany, Switzerland, Great Britain, Italy, Japan, Poland, and Czechoslovakia were represented by the largest number of correspondents, in the order named, each having 10 or more reporters.

An idea of the diversified character of the representatives of publications who come to Geneva can perhaps be given by citing the newspapers and journals to whose authorized reporters official documents were distributed at the Extraordinary Session of the Assembly which convened on March 3, 1932. In addition to the representatives assigned permanent seats in the press gallery of the Conference building, as mentioned below, the following United States periodicals and agencies had pigeonholes filled with material

passed out by the Information Section: National Methodist Press, *Foreign Affairs, Unity, Christian Century, Kansas City Star*, Geneva News Service, Federated Press, *New York Sun, New York Evening Post, Collier's Weekly, Louisville Courier-Journal, Washington Star, Register and Tribune, Milwaukee Leader, Mobile Register, Ladies' Home Journal, The Advocate, Christian Herald, The American Political Science Review, World Citizen, Survey, Gannett Papers, New York American*, and *Pittsburgh Criterion*. In all, 356 labeled pigeonholes in the pressroom rack were filled with documents on the opening morning of the special assembly session.

The number of correspondents of course constantly fluctuates according to the intensity of interest which the press has in the specific negotiations. As Table I shows, one out of every six journalists had left Geneva before the Easter recess began.

THE INTERNATIONAL ASSOCIATION OF JOURNALISTS

While all press representatives attending the Disarmament Conference were given special red press cards, a permanent inner circle of correspondents exists under the name of the *Association Internationale des Journalistes Accrédités auprès de la Société des Nations*. This organization was formed during the first meeting of the Assembly. Its membership cards are similar to small passports with the photograph of the journalist attached. These permanent passes are signed by the Secretary-General of the League, who commends the holders to the good offices of the authorities of all the member states.

The Association is recognized by the Secretariat as the competent body representing the interests of the League journalists. It is given all possible

support by the Secretariat, and questions of importance for journalists in Geneva can be quickly settled in consultation with the Bureau of the Association, in the interest both of the journalists and the Secretariat. As a matter of fact, the president of the Association and the officials of the Information Section of the Secretariat coöperate very closely in bringing some sort of systematized order in the relations between the large number of correspondents and the League. The Secretariat often communicates its wishes to the Association, from which they are issued as suggestions for the improvement of conditions under which the journalists must work. Every effort is made to give the appearance as well as the substance of voluntary coöperation between the press and the League. These relationships range from the simplest problems to the more involved, from cautions not to burn the furniture with cigarettes to petitions for better ventilation and provision of enlarged seating capacities in the press galleries.

Jealous of their professional integrity, the journalists thus organized act directly in their common interests. The Association has recently, for example, exerted its influence to collect telephone bills running from \$300 to \$600 which some correspondents had contracted and neglected to pay. They also may raise their voice against the comments of the Secretariat itself which they may consider unjust. In September, for instance, it was publicly charged in League circles that an attack on a high Chinese official by Nanking students was the result of false news reports emanating from Geneva. The president of the Association, voicing the grievance of the correspondents at what they considered an unfair comment and inference, at once took up the matter with the Secretariat

and pointed out that there was a distinction between false news and misinformation, and that it was a large assumption to assert that the attack was the direct result of a Geneva dispatch. He further requested the Secretariat to furnish the Association with the specific data on the report. The League did not do this, and with a courteous reply dropped the matter.

The membership of the Association at the present time is 192. Of this number, only 68 have permanent addresses officially listed as Geneva. Only regularly accredited representatives of daily newspapers or agencies are eligible for membership. The qualification is that in the preceding year the candidate must have covered two League sessions or important conferences. Election is by the unanimous vote of all the members of the executive committee. To insure that the organization is composed only of active, professional correspondents, a rule provides that reporters who have not covered League meetings for a period of three years are automatically dropped from membership.

VOLUME OF NEWS FROM GENEVA

An idea of the quantity of news which is sent out from Geneva may perhaps be conveyed by a few statistics. While it is impossible even to estimate the volume of items dispatched by fast mail and the number of special articles communicated by the same means, the total minutes of telephone conversations and the number of words flashed by telegraph or wireless from Geneva give an index of the flow of information from a contemporary diplomatic conference to the reading public of the world. During the month of February, for example, as Table II shows, the number of minutes of telephone conversation of cor-

TABLE II—VOLUME OF NEWS COMMUNICATIONS DISPATCHED FROM GENEVA DURING MONTH OF FEBRUARY IN MINUTES OF TELEPHONE CONVERSATION AND NUMBER OF WORDS TELEGRAPHED ²

State	Messages Transmitted by Telephone		Messages Transmitted by Telegraph	
	Volume of Telephone Communications in Number of Minutes of Conversation	Specific Destination of Calls	Volume of Telegraph Messages in Number of Words	Volume of Radio Messages in Number of Words
Argentina.....			10,041	
Austria.....	193	Vienna.....		
Belgium.....	874	Brussels.....	3,540	
Bulgaria.....				2,429
Canada.....				3,957
China.....			754	49
Czechoslovakia.....	818	Prague.....	176	
Denmark.....			1,913	3,739
Egypt.....				607
Finland.....			459	
France.....	10,098	Paris (9,429), Lyon, Marseille, Grenoble, Nice.....	43,819	
Germany.....	11,806	Berlin (9,282), Frankfurt, Cologne, Munich, Stuttgart, Saarbrücken.....		
Great Britain.....	3,871	London.....	620	
Greece.....			785	172,922
Hungary.....			1,971	1,230
Italy.....	5,840	Rome (2,611), Milan (2,121), Turin, Bari, Bologna.....	87	
Japan.....			63	
Lithuania.....	4	Memel.....	36,988	544
Netherlands.....	1,717	Amsterdam (857), Rotterdam (844), Hague, Harlem.....		
Norway.....			536	399
Poland.....	1,067	Warsaw (669), Cracow (391), Törn.....	379	
Rumania.....	210	Bucharest.....		8,853
Spain.....	416	Madrid (313), Barcelona (103)		11,488
Switzerland.....				15
Turkey.....			201	
Union of Soviet Socialist Republics.....			833	1,477
United States of America.....				
Yugoslavia.....	144	Zagreb, Belgrade.....	39,093	31
Totals.....	37,058		6,488	47,720
			148,796	255,460

Messages transmitted by Teleprinters: Berlin 10 communications
Paris 14 communications

² Data prepared for THE ANNALS by the Swiss Federal Department of Posts and Railways, Berne, Switzerland.

respondents in Geneva to the various nations of the world totaled 37,058. This is equivalent to roughly 618 hours of talking or to a little more than $25\frac{1}{2}$ days of 24 hours each of uninterrupted conversation. As might be expected, Table II indicates that the reports by telephone were directed chiefly to Continental destinations, particularly Germany, France, and Italy. By telegraph, the volume of words during the same month was 404,256, the radio service being utilized to an extent almost double that of the wire.

While these figures give a valid index of the quantity of reading appearing in the daily papers of the various nations, the telegraph and radio data for Great Britain must be read with the understanding that many of the communications of American correspondents were sent first to London and then relayed to the United States.

II. TECHNICAL FACILITIES PROVIDED FOR CORRESPONDENTS

With the object of so developing the technical facilities of news reporting that correspondents can do the greater part of their work in common on the League premises, follow the official meetings, gather their information, receive their documents, and write their messages and transmit them by telegraph or telephone, the Secretariat has provided conditions which make the work of Geneva journalists comfortable, convenient, and effective.

The Disarmament Conference, as is well known, holds its sessions in two different halls. Plenary meetings of the Conference convene in the *Salle du Conseil Général*, while meetings of the General Committee take place in the Committee Building constructed especially for the Conference. Meetings of the Bureau, Committees, commissions, and subcommittees are held

either in the Committee Building or in the Secretariat.³

The correspondents have entrance to the *Salle du Conseil Général* through a door reserved for the press alone. The pressroom of this building, somewhat crowded, is fitted with seventy-five chairs at tables where journalists may work. The official *communiqués* and notices are posted on the bulletin boards which line the walls, and each individual correspondent has his own pigeonhole where the documents of the Conference, agenda, speeches, and comments of the Information Section are distributed. Here also one finds a receiving office for telegrams for the Federal Service and the *Société Radio-Suisse*, thirty telephones for international and trunk calls, four for prepaid local calls, and an inquiry office where secretariat representatives are permanently in attendance.

The problem of seat assignments in the *Salle* auditorium is largely obviated by the fact that the press gallery, which encircles the auditorium, has 424 seats. While a few agencies and newspapers which must maintain constant com-

³ With the exception of the Council meeting, the description of the press organization of the Disarmament Conference is practically identical with the organization at Assembly sessions. The Council now meets in the long narrow Glass Room of the Secretariat, which runs through the garden almost to the lake. At the lake end of the hall there is a platform with the horseshoe Council Table at which fourteen members sit. Behind are the seats of the members of delegations and for secretariat officials. In the open space on the other side of the table are seats for the interpreters. In front of the dais, in the body of the hall, are seats for 150 journalists. The first few rows fitted with writing tables are allotted to the representatives of the news agencies of all countries who have to transmit their messages while the proceedings are in progress. The other seats are numbered and allotted according to the alphabetical order of the newspapers. For each session, lots are drawn to determine the letter of the alphabet with which the distribution shall begin.

munication by telegraph and telephone assume permanent places, chiefly in the rear gallery, the journalists as a rule are free to select their own seats. Each seat in the first row of the gallery is equipped with earphones through which the correspondents can hear the speakers' voices electrically amplified. This device is also so constructed that by a turn of the dial, the reporters, as well as the delegates, who are provided with similar equipment, may hear a translation of the speech being delivered, in either French or English. Obviously, such a simultaneous translation implies a prepared speech; and when such translations are given, a green lamp glows over the presidential chair.

Because the technical features provided for the convenience of journalists are nearly identical in the two major League Buildings, the *Salle du Conseil Général* and the Committee Building, the new annex to the Secretariat, it is only necessary to describe in detail the features in the new building, which in fact is the Geneva headquarters of Geneva correspondents.

RADIO, TELEPRINTER, AND TELEGRAPH SERVICE

More than half the total body of journalists can be seated at comfortable tables and desks in the spacious and light pressroom. At one end of the headquarters is a receiving office for telegrams for the Federal Swiss Service and the *Société Radio-Suisse*, which also acts as the operating company of the League's own new short-wave wireless station "Radio-Nations," which provides a direct press service to New York, Shanghai, Nagoya, Buenos Aires, and Rio de Janeiro.

The Swiss postal and telegraph administration also has installed four telegraphic machines known as teleprinters. By means of this apparatus a journalist may go into a booth and

send his own messages direct to his newspaper, provided it has a receiving machine, which takes the message on bands of paper. The teleprinter is manipulated by a keyboard similar to that of a typewriter, and the dispatch is simultaneously received in the home office. A speed of about 400 letters a minute, or from sixty to eighty words according to the language used, is possible. The minimum time allowed for transmission is fifteen minutes, after which each minute is reckoned at a rate equivalent to $\frac{1}{15}$ of the initial rate, which generally is half that of a telephone message of the same length and to the same place. Despite the apparently obvious advantages of this service, for certain technical reasons and because correspondents are in the habit of using other forms of communication, this device is not so widely used as one might expect. As Table II shows, only 24 teleprinter communications were sent during February!

The bulk of the news dispatches sent to the United States are sent by telegram to London and from London to America. London played a more important rôle than Paris as an intermediary station during the present Conference, because of a cheaper rate to Great Britain and because the depreciation of the English pound made the rate of exchange especially advantageous to American newspapers. Press telegrams in general are accepted at a 50 per cent reduction from ordinary rates. The Swiss administration ruled that the messages should not be written in cipher, but permitted instructions concerning publication to be sent up to 5 per cent of the total number of words telegraphed, with a maximum word limit on instructions at ten words.⁴

⁴ Merely from the point of view of human interest; it is noteworthy that there was a ruling

For the convenience of the delegates and the correspondents, a ticker service has been installed in six of the leading hotels, where the proceedings of the Conference are made available as they take place.

TELEPHONE AND FAST MAIL SERVICE

The telephone is the most used means of communication, especially for the correspondents of the Continental newspapers. The Federal Swiss administration expended 350,000 Swiss francs, or roughly \$67,550, in installing 74 telephones especially for the Conference. Forty booths for international and trunk calls and four for local calls are available in the new Committee Building. Direct lines running from Geneva to London, Paris, Berlin, Bucharest, Budapest, Prague, Agram, Varsovie, Stockholm, Marseille, Lyon, Madrid, Barcelona, Milan, Rome, The Hague, Amsterdam, Frankfurt, Brussels, and Vienna make communication to the largest cities very quick. In most of the Continental countries, press telephone messages are given priority over ordinary private conversations at all times and at the usual rates, while urgent press messages receive priority over urgent private calls at all times at triple rates, although Great Britain permits no urgent messages.

The staff of expert telephone operators is especially selected from the entire Swiss service, and comes not only from Geneva, but also from Lausanne, Berne, Interlaken, and Zurich. While ability to speak both French and German is a prerequisite for entrance into the Swiss telephone service, these press operators know English and Italian as well. They keep a list of the

hours when particular correspondents call their offices. They know the journalists by name and by sight and they also know the telephone numbers of their offices. A correspondent may hurry from a conference meeting into the pressroom, wave his hand to the operators from the end of the hall, and sit down at his desk. The operator calls his office, and sometimes the connection is made so quickly that the reporter has not had time to complete the preparation of the message he is going to transmit. A call from Geneva to Washington was actually completed within ten minutes from the time the correspondent gave his number to the operator. British journalists habitually wait only from two to five minutes to speak with London, and begin to grumble about the poor service if they cannot speak with their editors in England within seven minutes.

Fast mail also plays an important part in reporting, especially in the communication of long documents which may be distributed in advance, as well as items written in advance of the event, or feature articles. Seasoned correspondents are able many times to prepare an item in advance, mail it to their editors, and shortly before edition time give instructions by wire or telephone as to confirmation or corrections necessary. The technical means of communication, annihilating space as they do, form one of the foundation stones of the vitality of modern journalism.

SEATING ARRANGEMENT

The press gallery in the Committee Building has a seating capacity of only 168. Obviously, therefore, a seating plan must be worked out. The assignment of permanent seats was worked out during February by the Information Section of the League in coöperation with the president of the *Associa-*

to the effect that the insertion in press telegrams of a private message entailed for the sender the obligation of paying the full rate for the whole telegram.

tion Internationale des Journalistes Accrédités auprès de la Société des Nations. The object was to assure one seat to each agency and newspaper maintaining telegraphic service, and to as many as possible of the newspapers that maintain only fast mail service.

The permanent list as established on March 1 gave places to 128 journalists. Consideration was given especially to grouping the news reporting agencies and correspondents who must continually go to the pressroom to send messages, in such a way that they may come and go as conveniently as possible. A second consideration was to

⁵ Because the careful selection of agencies and newspapers which are assigned permanent seats forms a basis for listing the journals of major importance in the field of foreign and international news, the seating list as it stood on March 1 is given for purposes of record and reference.

The permanent assignment of seats in the north wing of the press gallery of the Committee Building was as follows:

Row 1—Ritzaus Bureau (Denmark); Venkov (Czechoslovakia); Basler Nachrichten (Switzerland); Stockholms-Tidningen (Sweden); Petite Gironde; Europe Nouvelle (France); Brasso Lapok (Rumania); National Zeitung (Switzerland); Tidens Tegn; Arbeiderbladet (Norway); Le Travail (Switzerland); Le Soir; La Dernière Heure (Belgium); Neue Freie Presse (Austria).

Row 2—Agence Télégraphique Roumaine; Rador (Rumania); Koelnische Volkszeitung; Koelnische Zeitung; Hamburger Fremdenblatt; Germania; Frankfurter Zeitung; Deutsche Allgemeine Zeitung; Deutsche Tageszeitung (Germany); Agence Économique et Financière; Agence "L'Information" (France); Agence d'Anatolie (Turkey); Agence Télégraphique Viennoise (Austria); Agence Tass (Russia); Agence Stefani (Italy).

classify the correspondents according to whether they receive documents in English or French, in order to facilitate the work of distribution. In fact, three quarters of the correspondents take the French documents in preference to the English.

The agencies and newspapers assigned permanent seats are considered, according to the ideas of League officials and Association officers, the "first-class correspondents." The agencies and newspapers which these journalists represent constitute a grouping together of the journals of the world which specialize in news of an international character.⁵

Row 3—Agence Télégraphique Tchecoslovaque (Czechoslovakia); La Nación; La Prensa (Argentina); Le Journal; Le Matin; L'Oeuvre; Humanité; Figaro; Écho de Paris; L'Intransigeant; Journal des Débats (France); Agence Télégraphique Belge (Belgium); Shimbun Rengo (Japan); Agence Aneta (Netherlands).

Row 4—Lyon Républicain (France); El Resto del Carlino; Popolo d'Italia; Giornale d'Italia; Gazzetta del Popolo; Corriere della Sera (Italy); Social Demokraten; Politiken (Denmark); Petit Journal; Petit Parisien; Paris-Midi (France); Nippon Dempo; Osaka Asahi (Japan); Le Temps (France).

Row 5—Italia (Brazil); La Volonté (France); Diario de Barcelona; La Vanguardia (Spain); El Universo (Ecuador); Adevarul (Rumania); Nowy Dziennik; Kurjer Warszawski; Gazeta Warszawska; Iskra (Poland); De Telegraaf; Het Volk; Nieuwe Rotterdamsche Courant (Netherlands); Agence Télégraphique Polonaise (Poland).

Row 6—Agence Télégraphique Bulgare (Bulgaria); Agence Athenia (Greece); Der Bund (Switzerland); Pravo Lidu (Czechoslovakia).

(*Move to 11*)—L'Information (France); Dresdner Neueste Nachrichten (Germany); Algemeen Handelsblad (Netherlands).

SOUTH WING

Row 1—Statesman (India); Magyar Kulpolitika (Hungary); Gazzetta Ticinese; L'Ordine (France); Mir (Bulgaria).

Row 2—Ullstein Nachrichtendienst; Telegraphen-Union; Sozialdemokratischer Pressedienst; Conti Nachrichten Büro; Europa Press; Berliner Tageblatt; Berliner Lokalanzeiger;

Agence Wolff (Germany); Agence Havas, Amérique du Sud (France); Agence Télégraphique Suisse (Switzerland); Agence Havas (France).

Row 3—International News Service; Consolidated Press (U. S.); London Times; News Chronicle; Morning Post; Manchester Guardian; Daily Express; Daily Mail; Daily Herald; Daily

III. NEWS SOURCES

The task of the correspondent is to reconstruct in language an event which has taken place. The news item which he flashes to his journal is a selected arrangement of information which he has evaluated as having the most significance for the circle of readers who constitute the subscribers to his paper. The mass of data which is available on news situations is so large, the central feature and significance of the event so likely to be capable of valid interpretations from different points of view and winnowed by reporters according to different criteria, that one must approach a study of news both from the point of view of the policy of a particular newspaper, and also through the mind of the reporter as the reading public has come to know it from a reading of his articles over a period of years. The correspondent must also begin his work with the policy of his paper consciously in mind, or after long experience with a sort of semi-conscious "feeling for the news." He must further make his selections from the volume of data at hand and reduce them into a significant article of front page importance, if possible, according to the limits of space which are at his disposal. The reader value of each dispatch must indeed be weighed against the cost of communication.

The data from which a news item is constructed do not come to the reporter in systematized form which he can at once release. They appear rather as fragments of the total situation, some-

times incoherent fragments, which the correspondent correlates, evaluates as to their truth, and fashions into his report. The two general sources of news are written communications and documents, and verbal information. A consideration of news sources will illustrate the fundamental situation in which the foreign correspondent works.

The Information Section of the League does of course form the point of first contact between the League and the general public. It is an organic part of the Secretariat, and its function is to work with the press. In coöperation with the other sections which comprise the Secretariat, it maintains an extensive publicity activity.

The bond between governmental groups on the one side and the mass of people to whom they in one way or another are held responsible on the other, is the press. One of the characteristic developments in the sphere of political structures in recent years has been the official press bureau. Since the Information Section of the League is illustrative of the official means of coördinating the work of correspondents and political activities, its work must be considered in some detail.

Journalism (in its evolution an almost integral part of democratic political organization, it may be noticed in passing) has reached the stage where its representatives are almost as much an accepted part of international conferences as the official delegates themselves. Except for their exclusion from private committee meetings and

Telegraph; Reuters (England); Associated Press (U.S.).

Row 4—Agence Central News (England); Universal Service; Baltimore Sun; Chicago Daily News; Chicago Tribune; Christian Science Monitor; Philadelphia Public Ledger; New York Times; New York Herald Tribune (U. S.); Exchange Telegraph (England); United Press (U.S.).

Row 5—Journal de Genève (Switzerland); Secolo Sera; La Stampa; Gazzetta del Mezzogiorno (Italy); La Suisse; Tribune de Genève (Switzerland); Politika; Obsor (Yugoslavia); Journée Industrielle (France); Canadian Press (Canada); Australian Cable Service (Australia).

Row 6—Jewish Telegraphic Agency; Agence Télégraphique Fabra (Spain).

their inability to vote, they enjoy much the same privileges as the ordinary political conference member.

OFFICIAL DOCUMENTS

A fundamental service of the Information Section and source of news are the official documents. The journalist, so it is said, must have at his disposal the same materials as the government representative who speaks from the platform of the Conference, and the Assembly, or who sits at the council table or in the commissions. Before and during each League meeting, therefore, press representatives receive through the Information Section all the memoranda prepared by the Secretariat, observations of the governments, reports of the conference, assembly, council, or committee, draft resolutions, reports of subcommittees, proposals, amendments, and other official papers, exactly in the same fashion as the delegates receive their materials. During the month of February, for example, each correspondent received the following documents: 24 issues of the Journal, issued almost daily, totaling 178 pages, or an average of $7\frac{1}{2}$ pages each issue; the provisional verbatim reports of 17 regular and one extraordinary plenary meetings of the conference; the revised verbatim record of 9 plenary meetings; the official guide; the list of delegates and experts; 4 documents of the General Committee; 5 agenda of subcommittees of the General Committee; and 109 conference documents or amendments to conference documents.

The object of the distribution of material for discussion is of course to enable journalists to understand the proceedings and to facilitate their technical work. Speeches and resolutions distributed at the beginning of a meeting often make it possible for correspondents to wire or telephone

their story to their papers while the talk is being delivered or the discussion is going on. It may be set in type in the home offices, and shortly before edition time the reporters may call their offices to point out any corrections or additions that may be necessary and to confirm the report. Where possible, of course, it is desirable to have long speeches in advance so that they can be sent by fast mail. By this method the reader, buying his evening paper as he boards the New York subway or a Tokyo street car, may be as quickly informed as the visitors who have actually been sitting in the public gallery in Geneva. The speech of Dr. W. W. Yen, presenting the case of China to the second plenary session of the extraordinary session of the Assembly, was handed in mimeographed form by the Information Section to correspondents before the meeting opened, and the afternoon reporters and news agencies had flashed the account of the speech around the world before the words had in reality been uttered by the Chinese delegate.

The Journal of the Conference, published almost daily, similar to the Assembly Journal now so familiar during September, is placed in racks in the pressroom of the Committee Building for the correspondents each morning, together with other documents, speeches and memoranda and the like, which will have value during the day. The Journal contains agenda for the day, summaries of previous meetings, and information of interest to delegates and reporters. It forms the outline of activities.

The dates, times, and places of meeting of commissions, subcommittees, and committees are also posted on boards in the vestibule of the *Salle du Conseil Général*, in the outer hall of the pressroom of the Committee Building, and at the entrances to the

Committee Building and the main entrance to the Secretariat. In the pressroom and outer hall of the Committee Building red lights glow when a particular committee is in session, and a green lamp when translations are being made. In this way the correspondents are kept continually informed of the meetings, some of which may be taking place simultaneously.

ATTENDANCE AT MEETINGS

The journalists, of course, attend the meetings, when not private, at their own will. Here the discussion takes place in two languages. Following the talk by a delegate, an interpreter arises and, depending upon the language which the delegate may have used, gives an impromptu translation in either French or English. During the sessions, the correspondents of course make their own notes. In understanding the proceedings they often have the assistance of special notes prepared by the Information Section. On all points of the agenda of the Council or the Assembly the data distributed is especially complete, giving the origin and the present state of the question to be discussed.

While the minutes of the plenary conference meetings and those of the Assembly consist of verbatim records of the proceedings, including the interpretations and the interpreters' impromptu translations, this text is not distributed until the morning of the day after a morning meeting, or the evening of the day after an afternoon meeting. The official record, containing the carefully revised text, appears within a week's time. To give detailed assistance to the journalists while news still is news, the Information Section has devised a plan of posting stenographic reports and summaries of the conference and general committee sessions on the bulletin board of the press-

rooms while the sessions are actually being held. These reports appear page by page in the two official languages, about three quarters of an hour behind the actual occurrences. By means of this service, correspondents can verify their own notes, copy the official summary or the verbatim report of speeches and actions taken, and obtain data which they may have missed while they have been attending other meetings.

Members of the Information Section are assigned to cover specific committee meetings permanently, just as the correspondents themselves are assigned to Geneva. They specialize in particular activities. Section members attend all meetings of the League, except perhaps those of the most private and confidential nature. After each meeting the Section member prepares an official detailed *communiqué* summarizing the proceedings. Other *communiqués* are issued and posted in the pressroom for distribution as the situation demands. When it is necessary for a meeting to be private, the Information Section makes every effort to intimate the nature of the negotiations to the extent to which the Section itself may be informed and deems expedient.

A conception of the volume of technical work in connection with preparing the communications and reports of meetings may be conveyed by pointing out that at Assembly meetings, 31 trained verbatim reporters take down the minutes, 14 shorthand typists do the transcribing, and 11 persons do the duplicating and wire stitching of documents.

CONTACT BETWEEN INFORMATION SECTION MEMBERS AND CORRESPONDENTS

This objective news service of the Information Section is supplemented by personal contact between Section

members representing seventeen nationalities, and the correspondents. Through this *liaison* work, reporters may secure data and points of view which were not expressed in the *communiqués* or summaries of the meetings. Reports of meetings, however, which come to correspondents through the Information Section may be unsatisfactory to correspondents in several respects, and as a matter of fact are intended only to inform the journalists and lay the basis for League assistance to them in their work. In the first place, the correspondents at Geneva are aware that the League has a very pronounced policy of keeping all sensational news out of the papers, of ignoring differences of opinion, and of emphasizing the coöperative congeniality and results of League activity. The journalists, however, find in these internal incompatibilities and divergent points of view, material which seems to them to be news.

In the second place, a *communiqué* written by an American national member of the Section may be an admirable summary of the meeting but may overlook points of view which a German or a Polish or a Japanese correspondent may desire to emphasize. The national journalists must, of course, then elaborate the objective information distributed by the League by personally questioning the Information Section member who attended the meeting, by discussing the subject with the national Section member who sees events, they have learned, most satisfactorily from their point of view, and by personally questioning the delegates and other individuals who have a special knowledge of the affairs.

Geneva correspondents classify a type of League committee meeting as private. In these small gatherings no information or *communiqué* is handed out. If a Section member has been

present he may indicate as far as he dares the purpose or the course of events, but the journalists must exercise their resourcefulness in piecing together bits of information in an attempt to learn the significance of the session, whether formal or informal. A person personally present may divulge the facts directly, or the reporter may obtain some data in a secondhand way from persons to whom the first person has talked. There are of course always "pipe lines" of personal friendship. The correspondents have various persons in Geneva classified on the basis of past experience as to the reliability of the information which they communicate and the weight which can be attributed to their words.

It must be once more emphasized that a correspondent not only must seek to collect facts but also must constantly exercise his judgment as to what the facts really are and mean, so far as he can infer from the evidence which he has gathered.

DISTRIBUTION OF WRITTEN DATA

There are other sources of objective information, that is, of written data delivered to correspondents. The bulletin board in the pressroom is divided into three parts, and the privilege of posting communications there is closely regulated. The *Association Internationale des Journalistes Accrédités auprès de la Société des Nations* has a section reserved for its announcements. The Information Section has a special board for *communiqués*, and a third section is *Avis non-officiels*. Here, lobby organizations with the permission of the Information Section are allowed to post announcements to the reporters and to distribute news releases. As a matter of fact, the *Commission de la Paix du Conseil International des Femmes* and the Com-

mittee for Total Disarmament were the only lobby groups which made use of the privilege to any extent. The character of the data so presented may be inferred from a news release posted by the Committee for Total Disarmament on February 5. This was a copy of a resolution in support of total disarmament as introduced into the United States Senate on that day by Senator Lynn J. Frazier of North Dakota.

Memoranda, complaints, and communications to the Secretary-General of the League, to the Council, to the Assembly, and to the various conferences and commissions also are distributed to the press by the Information Section at the same time that the memoranda are communicated to League members, unless there is a request for no publicity. As a matter of fact, many memoranda are not really intended for League members at all, but are so labeled as a means of bringing the matter to the attention of correspondents in an official way. Publicity has thus become a direct tactic of diplomatic strategy. Governments may also prepare announcements for the press, *communiqués*, and news releases, and have them distributed to correspondents by delivering them to the Information Section.

PRESS EXPERTS IN DIPLOMATIC DELEGATIONS

The press expert has become an integral part of diplomatic delegations. At the Disarmament Conference, for example, Germany, the United States, Spain, Poland, Russia, and Turkey had one press expert each officially listed as part of their technical advisory staff, while France had two and Italy four. In addition to the official list, the secretaries of the delegations frequently act as press representatives where no professional expert is a part of the staff;

and it was generally said, and unofficially stated by the Information Section, that Japan had eleven experts in Geneva concerned chiefly in dealing with the correspondents. These press representatives make contact directly with the journalists.

The correspondent has before him each day a mass of data, most of which represents information which various interested parties wish to give world-wide publicity. "In dealing with this matter," said Clarence Streit, of the *New York Times*, "the fundamental proposition behind good reporting is to keep out of print what the other fellow wants to get in and to get into print what the other fellow wants to keep out."

The formal press conference has not been made a part of the technique of the Information Section. There are sometimes informal conversations between groups of correspondents and delegates after important sessions, but such is not the general practice. The correspondents do, however, have a continual and personal relation to the delegates. In the plenary session of the Disarmament Conference and the Assembly, journalists have free access to the vestibules and lobbies where the delegates retire between speeches and before and after sessions. Here the correspondents meet the government representatives, ask questions, and gather impressions and information.

SOCIAL CONTACTS

In addition to the professional contacts of the correspondents, there are certain social relationships which also play their part in news gathering. The *Association Internationale des Journalistes Accrédités auprès de la Société des Nations* has its own headquarters and a sort of definitely recognizable social life which builds up a feeling of

unity among the correspondents. The *Cercle de la Presse* is a wider group and also has its own headquarters, social functions, and balls. All of these relationships result in building up an *esprit de corps*, and facilitate an interstimulation in journalistic life. There are also receptions and teas given by delegations and lobby organizations. Numerous luncheon meetings at the International Club and a special club known as the "Disarmament Club" carry on continual social activities which bring the correspondents, the delegates, and the government experts into close and regular association. Honorary membership cards of the International Club have been given free to all members of delegations and press representatives, once again emphasizing the fact already mentioned that the correspondents and the delegates as a rule are extended almost identical courtesies.

From the standpoint of the English-speaking reading publics, one of the most significant social contacts is the luncheon each Wednesday noon of the Anglo-American Press Association. An inner circle of veteran representatives of major dailies of Great Britain and the United States, numbering from twelve to twenty each week, following a precedent established at the London Conference, meet for an informal discussion of the conference. Each week the group invites as their guest a statesman who in a sense may be said to be the figure of central interest of the day. Such delegates as Premier André Tardieu of France, Sir John Simon of England, Ambassador Hugh Gibson of the United States, and Ambassador Naotake Sato of Japan have been entertained. They spoke with amazing frankness on the problems of the conference. The interesting thing about these luncheons is that no newspaper comment may be made

on anything said, unless it is expressly so stipulated by the speaker. Groups of this kind, while they do not make immediate news, furnish a background of understanding and interpretation which is of much value to the correspondents of merited reputation.⁶

IV. THE "GENEVA ENVIRONMENT" OF CORRESPONDENTS

"Truth," said Will Irwin more than a score of years ago, "illuminated by a point of view is the very kernel of the reporter's art as it is that of his ethics." It is recognized that a correspondent must select and exclude data in the construction of his report and that he must build his story around some central incident. The style of his writing, his personal attitude as well as the policy of his paper, the relative proportions of space allowed to various incidents, and the use of colorful details may be combined in the creation of an item which may have divergent connotations and be capable of conveying significant inferences.

Naturally, the publics of the world may act on the basis of deep-seated prejudices and beliefs, on economic interests, and on social and economic traditions; but they also shape their conduct on the basis of present information. It is indeed idle to discuss the old hen-and-egg problem of whether the press creates or follows public

⁶ The *Association Internationale des Journalistes Accrédités auprès de la Société des Nations* gives an annual banquet during the meeting of the Assembly. The attendance ranges between 300 and 500. Statesmen, members of the Council, the president of the Assembly, and the Secretary-General of the League are invited. This yearly fest differs from the Gridiron dinner of press correspondents in Washington in that the speeches may be used for publication unless no publication is specifically requested. Important speeches are made at this social function, where the stiff formality of diplomatic life is broken down and the statesmen become informal and personal.

opinion, for the press is only one of the instruments in the complicated interacting framework of the contemporary world-society. The fact, however, that the average citizen thinks about himself as a member of an international society in terms of the vicarious experience of the correspondent, and draws his pictures of events and meanings from a reality embalmed in words, gives a special significance to journalistic work. It is the belief of most statesmen engaged in international life that the journalists have it within their power to give a healthy support to particular policies or to whip up old hates and encourage both national and international frictions.

The efforts at Geneva to secure the coöperation of the correspondents represent a type of interested activity which is typical of the forces which play upon journalists in all realms of contemporary life. While stoutly maintaining that the freedom of the press is almost a sacred concept in political theory, the various interests at Geneva seek to tint the glasses through which the journalists see events. These representative activities range from frank efforts to persuade, through serious efforts to "inform" the correspondents by presenting to them the "real facts" of the situation, to a fostering of an environment which tends to develop a subconscious appreciation of points of view.

THE INFORMATION SECTION

The first agency at work in influencing the correspondents at Geneva is of course the Information Section of the Secretariat. All the *communiqués* and data drafted and distributed by it are prepared with the definite purpose of minimizing contentious news angles and furnishing the correspondents with data which will not stir up national animosities. It is a policy of the

Information Section to assimilate the journalists as a functional part of the League of Nations, and by every courtesy to encourage their active interest. The object, as expressed in League circles, is to make the journalists feel that they are a part of a great movement and that each is making his own contribution to the development of a mechanism of international life and peace. There is no doubt that this policy has developed an *esprit de corps* among Geneva correspondents. The journalists, experienced in international political life and working constantly together, have developed something approaching a common outlook; and while the correspondents must work from national points of view and the particular policies of their papers, their professional relations and their community of interests gradually bring them into harmony with the common efforts of League activities.

There is a further rather direct, persuasive, and informal means by which the Information Section seeks to influence the point of view of the reporters. The members of the Secretariat have a profound belief in the League. While they are frankly critical of its sometimes slow and disappointing results, they are convinced that the League exists and functions only through the support of public opinion. The Section members therefore follow the reports of the various correspondents. When they believe that a reporter has unnecessarily shaped his story in such a way that his reading public will draw inferences hostile to the League, they casually suggest, "You certainly had the wrong slant on that event," and proceed to point out why and how the correspondent may have failed to appreciate fully the significance of the event through "Geneva glasses."

The Secretariat makes an attempt to

keep informed on the publicity about League activities, as a means of studying public reactions to its efforts and of directing its own activities. There is a newspaper clipping department which cuts from 800 to 3,500 items daily to be distributed to the various sections concerned, where they are carefully studied. The Information Section prepares a Daily Press Review, comprising 35 or 40 typewritten pages, which reproduces newspaper articles or extracts from articles dealing with the League. Over 200 representative newspapers are read daily in its preparation. This publication is for internal circulation only, and the articles quoted are carefully filed so that any official may refer to the original.

THE PRESS AS INFLUENCING PUBLIC OPINION

A second influence affecting the character of news reports may be defined as the efforts to secure the "Coöperation of the Press in the Organization of Peace." The general character of this activity may be explained as the struggle of governments to control the political effects of journalistic enterprise, which represents a private agency enjoying almost universally constitutional prerogatives, and whose activities affect the very life of individuals as well as states. The consideration of this subject emphasizes what the writer elsewhere has defined as the "anomalous, semi-official, vital, circumjacent, though irresponsible and noncompulsory position in relation to the state."⁷

The problem can best be approached by the consideration of a memorandum from the Polish Government communicated by Auguste Zaleski, Minister of Foreign Affairs, on September 17, 1931, to the Secretary-General of

the League of Nations, who officially transmitted it to the governments invited to the Disarmament Conference which convened on February 2. Zaleski asserted:

Every one who wishes the Conference to meet with the fullest possible success is faced with an important question, namely, how to counteract the movement against peace and assure a moral *détente* by concerted action of the governments. . . . Propaganda aimed at disturbing friendly international relations is usually carried on by associations or in the press. The problem of the press was raised by the Swedish Government at the meeting of the special committee appointed to consider measures for preventing war. That Government drew the committee's attention to the disastrous influence a certain section of the press might exercise during an international crisis. The Polish Government fully shares this view. Not only when an international dispute has arisen, but also in daily life, the press may exert, if it so desires, a salutary influence by calming people's minds and supporting the Council of the League in its difficult task as mediator, or it may play a fatal part by stirring up feeling and misrepresenting the facts of the case. Here, too, the intervention of the Community would be of utmost importance, for it alone would be capable of averting mischievous press campaigns. Where must the remedies be sought?

The Polish minister then proceeded to make suggestions: (1) the insertion of an article in the penal codes of the national states, punishing any person guilty of publishing in the press fake or biased reports on the international situation; (2) the establishment of a right of reply of home and foreign governments, by which a newspaper could be compelled to correct false information by an exchange of notes through the foreign offices of the nations concerned; (3) the constitution of an international disciplinary tribunal for journalists, which could try correspondents charged with pursuing

⁷ See Douglass, Paul F., *The Newspaper and Responsibility*, Cincinnati: 1929, p. 12.

activities dangerous to peace, expel them from the profession, and have its decisions upheld "in every country"; (4) the creation at Geneva of an international information bureau, whose reports would be accepted "by the whole world because of its international prestige"; and (5) annual international press conferences.

The Polish minister also advocated that the domestic policy of governments which had accepted the principle of the condemnation of war as an instrument of national policy should be to take severe measures to deal with any person attempting to undermine the moral bases of world peace by a propaganda of hatred. "A suitable modification," he pointed out, "would only be the logical complement of international agreements now in force." He also cited with approval the Brazilian draft penal code, which would punish persons stirring up popular agitation with a view to exerting pressure on the government in favor of war while diplomatic negotiations were in progress with a foreign country, and more generally, any person attempting to disturb international relations. "Why should not domestic legislation," he asked, "take this society's interests [a higher international society] into account as well as those of the national society?"

GOVERNMENTAL PRESSURE UPON JOURNALISTS

A detailed discussion of this aspect of international press organization is too involved to be compressed within the limits of available space. Suffice it to say that the Conference of Press Experts, convened at Geneva in 1927, adopted resolutions expressing the desire that "newspapers and news agencies of the world should deem it their duty to take stringent measures to avoid the publication or distribu-

tion" of biased, obviously inaccurate, highly exaggerated, or deliberately distorted news "calculated to cause undesirable misunderstanding among nations and suspicions detrimental to international peace," and should also consider the possibility of active international coöperation for the attainment of this purpose, which is in conformity with the spirit of the League of Nations. It also made a "warm appeal to the Press of the World . . . to prepare the way for moral disarmament"; and favored "Regional Press Understandings" between the press of groups of neighboring states with the object of "promoting international harmony." It further recommended immediate conferences of press representatives, especially of the Balkan countries, in order to reach amicable understandings which would "draw closer bonds between the Press of their countries" and thus "favorably influence public opinion."

The conference of the Governmental Press Bureaux and Representatives of the Press, which convened at Copenhagen on January 11, 1932, also considered, among other matters, the problem of the press in relation to moral disarmament. Constantin Oumansky, director of the Press Bureau of the People's Commissariat for Foreign Affairs of the Union of Socialist Soviet Republics, pointed out that regional press agreements, as a general rule, are merely a corollary of political agreements between different countries, and in the past have amounted to discrimination against the press of the other countries. He insisted that these agreements tended to assume a "purely and exclusively political character." At this same conference the delegates of the American news agencies, the United Press, the International News Service, the Universal Service, and the Consolidated Press,

expressed their opinion against a "Tribunal of Honor," because

we can see no need for an extra-legal agency to deal with matters which already fall within existing jurisdictions. We can recognize only two duties. One is to our public, which will inevitably punish in its own effective way any professional dereliction. The other is to operate under the laws of the countries in which we function.

The foregoing discussion is adequate to illustrate the fact that the relation of the press to moral disarmament is a present problem and is considered of a serious nature by a number of governments. The effect of the continual discussion about the responsibilities of correspondents and newspapers in the field of international relations has been to define a problem, and by focusing attention upon it to warn the correspondents to renewed caution. In this way the character of news is to some extent consciously and unconsciously modified.

OFFICIAL GOVERNMENTAL INFLUENCE

A third type of influence which acts upon the mind of the correspondent in his news interpretations and seeks to determine the tint of his glasses, is the direct activity of government press bureaus and delegations. This field can best be explained by considering the official activities of China and Japan at Geneva. On March 1, for example, a notice was posted in the pressroom by the Information Section as follows:

The Chinese representative on the Council, Dr. Yen, will receive representatives of the International Press on Wednesday, March 2nd at 5 P.M. at No. 18 rue Charles-Galland.

The reception was, of course, planned for the afternoon before the day on which Dr. Yen was to present China's case to the extraordinary session of the League Assembly.

On February 23 a similar notice was posted:

The Japanese Delegates will be glad to receive the Press Representatives for an informal talk at 6½ P.M. tomorrow Wednesday 24th at Hotel Métropole.

At the Japanese meeting, by way of illustration, Ambassador Tsunéo Matsudaira analyzed the conflict between Japan and China, protested against the allegedly undeserved appeal addressed by the Committee of Twelve to his state, recited the rights of self-defense allowed by the League Covenant to members, pointed out the chaotic history of China for the last decade, and produced evidence from the American Chamber of Commerce and one in China to prove that China was incapable of insuring adequate protection to foreigners. Then Vice-Admiral Osami Nagano and General Iwané Matsui cited technical reasons for the intervention in China, and insisted that the Far Eastern trouble was a family quarrel in which no intermeddlers were needed.

This meeting represents a type of influence acting on correspondents. Its purpose was threefold: first, to establish a friendly contact with the correspondents of the international press at a time of critical political importance; second, to furnish a background and legal and historical frame of reference which might perhaps lead to sympathetic news interpretations; and third, to present directly the Japanese point of view to the various publics of the world.

There are numerous interested pressure groups which continually try to assist the correspondent by supplying data which support points of view. This type of activity may be illustrated by the procedure of the "Association for the Legitimate Defense of the Rights of Japan," with head-

quarters in Tokyo. On February 23, this organization distributed a convincing 32-page brochure to correspondents, entitled *The Situation in Shanghai*. This is just another example of the many fragments of facts and opinions which each day pass through the mind of the correspondent and play their part in the final construction of the news situation which appears on the printed page.

SOCIAL ATMOSPHERE

The fourth type of influence may be generalized as the "social environment fostering attitudes of peace." This is largely the result of the enthusiastic and persistent activity of women's lobby groups, which plan teas, receptions, luncheons, and a general social life in which the atmosphere is so conducive to active coöperation in the ambitions of the peace workers that the correspondents acquire a sort of subconscious feeling of participating in a great crusade. These social functions may range from informal luncheons

presided over by the president of *L'Union mondiale de la femme pour la concorde internationale*, with a talk by Mademoiselle C. Illakowicz on "Peace and Poetry," to formal Sunday evening receptions by the *Conseil International des Femmes*, with talks by statesmen and international jurists.⁸

The press has indeed become an organic unit in the structure of international relations.

⁸The following invitation illustrates in its own way the general type of this activity:

Conseil International des Femmes

Présidente: la Marquise d'Aberdeen et Femais

La Princesse Cantacuzene, Vice-Présidente du C. I. F., Mademoiselle van Eeghen, Secrétaire Générale du C. I. F. et Madame Dreyfus-Barney, Vice-Présidente de la Commission de la Paix, du C. I. F., vous prient de leur faire le plaisir de venir passer la soirée du dimanche 21 février, au Club du Désarmement, dès 21 heures.

Son Excellence M. Bénes et M. Max Huber, ancien Président de la Cour Permanente de Justice Internationale, prendront la parole.

R. S. V. P. à Mademoiselle van Eeghen, 9 av. Soret.

CHAPTER II

The International Combination of News Agencies⁹

NEWS is the life of the modern newspaper. Since funds at the disposal of individual newspapers for gathering reports of national and international scope are limited, the news agency furnishes a service which makes the local daily a journal of world affairs. The news agency is indeed the most important provider of the raw materials in the field of journalism.

Any consideration of the international organization of the press must begin by a division of news-gathering agencies into two classes—the so-called “Ring Combination” on the one hand, and the independent companies which compete with it on the other. The former consists of a world-wide network of contractually affiliated agencies, many of which have an official or semi-official nature. The second class is represented by strictly private organizations, usually affiliated with powerful national publishing interests. The former is represented in the United States by the Associated Press; the latter by the United Press, which has a close relationship to the Scripps-Howard interests, and by the Universal and International News services directed by the Hearst organization. The agencies of the latter type are highly competitive and are not restricted in their activities by any legal obligations to other national news-gathering companies.

The first class of agencies, however, comprises the most elaborate and

significant combination of organizations for the interchange of news reports in international life. It therefore constitutes the most important unit of journalistic activity in any consideration of the international organization of the press.

Four major agencies have divided the world into “reserved territories.” This division is as follows:

Associated Press: United States, Central America, and together with Havas, South America.

Agence Havas: France and the French colonies, the Romanic countries of Europe, and together with the Associated Press, South America.

Wolffs Telegraphisches Büro: Germany.

Reuters, Ltd.: England and the British Empire, Holland, and the Far East.

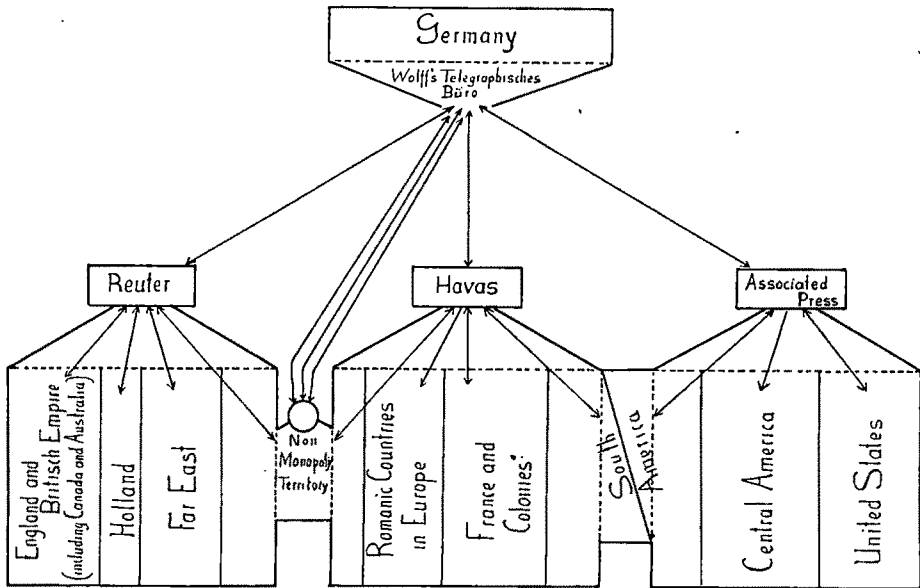
Common Reuters-Havas-Wolffs territory: other sections of the world, especially Central Europe, the Scandinavian countries, the so-called “Randstaaten” (Finland, Esthonia, Latvia, and Lithuania), Bulgaria, Rumania, Turkey, Greece, and Russia.

Figure I shows graphically how the world is divided into territories reserved for each agency and how the exchange of news reports takes place.

The most essential conditions of the contract between these agencies are: (1) that each agency is to create the news reports in its own assigned reserved territory and place these items at the disposal of the other contracting agencies; (2) that each contracting agency is obligated to distribute its reports going into the reserved

⁹ In the preparation of this article the authors have had the collaboration of Dr. Hans Münster of the *Deutsches Institut für Zeitungskunde*.

FIGURE I—MONOPOLY TERRITORIES OF GREAT NEWS AGENCIES



The diagram above shows how four great news agencies have divided up the world for purposes of economy in the gathering and the exchange of news and for the mitigation of competitive enterprise in the sale of the news service to individual papers. The diagram is based on Dr. Hans Münster's outline in *Zeitspiegel*, approved as the authorized American presentation by Dr. Hermann Diez, editor of Wolffs Telegraphisches Büro.

territory of another agency only through the agency to whom this region has been assigned, and not under any conditions to competing news agencies or to the newspapers themselves. The agency to whom the territory has been assigned can alone conclude contracts with individual newspapers in its area.

HOW THE "RING COMBINATION" FUNCTIONS

The manner in which this organization works may be illustrated. Reuters, for example, can sell its reports in France only to Havas. Havas can sell its reports in China only to Reuters branch there. Wolffs can sell its news in the United States only through the Associated Press. Australia receives its reports from Germany only through Reuters. The Associated Press reports

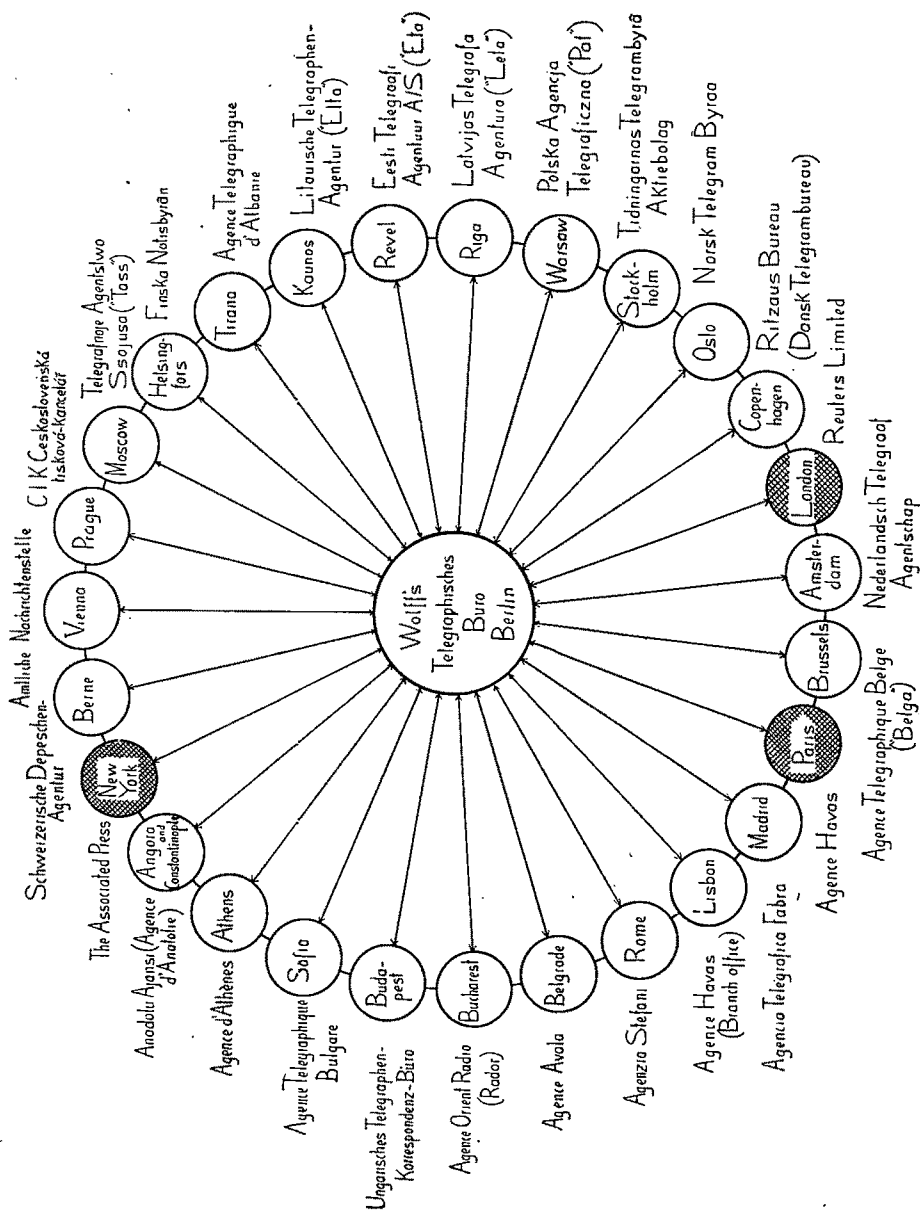
about the war in the Far East can be sold in a French colony in Africa only through Havas.

By a series of major and minor contracts, the whole world is brought within the scope of this "Ring Combination" through an affiliation of twenty-seven news agencies. The structure of this system is shown in Figure II. This diagram illustrates the manner in which a single national agency, in this case that of Germany, is connected with other bureaus for purposes of the exchange of news reports.

Dr. Hermann Diez, editor of Wolffs, has explained:

The mutual exchange of news by the great agencies in general does not take place directly, but through the mediation of the particular agency's own representatives in the country of the sending agency.

FIGURE II—AFFILIATION OF WOLFFS TELEGRAPHISCHES BÜRO WITH OTHER NEWS AGENCIES OF THE WORLD



The diagram above illustrates the manner in which a single news bureau is associated with 26 other national agencies through "Ring Combination" contracts. This diagram is based on Dr. Hans Münster's outline in *Zeitspiegel*, approved as the authorized American presentation by Dr. Hermann Diez, editor of Wolffs Telegraph-

Reuters and Havas, for example, do not give their news items directly to Wolffs in Berlin, but to the Wolff correspondents in London and Paris. The daily supply of news of each agency is placed at the disposal of the representatives of the others. They sift the material, make it more complete, edit it, verify it, and the like. In the same way Wolff turns over its news every day from Berlin to the Berlin representatives of Reuters, Havas, and the Associated Press. Each of the great agencies can also furnish a supplementary service of news from its own territory to the papers of the reserved territories. When there are newspapers in the territories of the Associated Press, Havas and Reuters, who wish to be supplied directly with the German Wolff news reports, Wolff can furnish this service.

The chief features of the system, it can therefore be seen, are the mutual funding of news reports by the "ring" agencies, the reduction of competition by the assignment of "reserved" territories in which only particular agencies may execute contracts for news services, and the agreement not to supply news to rival concerns.

Dr. Diez has well said:

This system of news exchange between the agencies has been attacked from many sides, partly because of the wrong suppositions that, for example, in the acceptance the exchange at the same time signifies an obligation on the part of the receiving agency to use the particular news items, while in truth it represents only an exclusive right to the reports. Obviously an independent organization covering the whole world might perhaps be a better solution, but such an undertaking runs amuck not only because of the enormous cost of such a service, but even more on the present existing political difficulties.

Without its affiliation with the Russian agency "Tass," Dr. Diez has pointed out, "it would be very difficult for Wolff to obtain reports from the Soviet Union for German papers." The same situation is true of other nations which may have dictatorial control over journalistic enterprise.

The "Ring Combination" forms one of the most complex and politically significant structures which affect the everyday life of the reading publics of the world, in the whole realm of international affairs.

CHAPTER III

The Organization of the Foreign Press in a Capital European City

MODERN states are bound together by a network of diplomatic, economic, and cultural affiliations. National populations are associated in an environment of words which is created by the press. The foreign correspondent has become a part of the very fabric of contemporary international life.

The character of this journalistic phase of interstate relationships can perhaps best be appreciated by considering in detail the organization of foreign correspondents in a single European capital city. The description of the international press life in Berlin may be duplicated in practically all other capital cities of the world.

Press departments have indeed become as much a part of political organization as war ministries and departments of foreign and interior affairs. Foreign correspondents in Berlin make their first contact with the Press Section of the German Government (*Presseabteilung der Reichsregierung*). This department occupies the beautiful old palace of Friedrich Leopold on Wilhelm Platz and is directed by the so-called "press chief" (*Chef der Presseabteilung der Reichsregierung*). This official holds the title *Ministerialdirektor* and stands directly under the German Chancellor, whose political policies both in internal and foreign affairs he supports. The Press Chief is naturally the "political confidence" man of the administration. The personnel includes four *Legationsraeten* and four *Regierungsraeten*, ten subor-

dinate officials, and roughly eighty employees and workers.

ORGANIZATION OF THE PRESS SECTION

The Press Section is divided internally into two departments: "home" and "foreign." Each of these departments is subdivided into subsections presided over by the so-called *Referenten*. These officials have personal contact with the correspondents. A press conference is held every day by the "home" press section for the reporters of all German newspapers, with the exception of the Communists. Foreign correspondents of course do not attend this gathering.

During the period when Dr. Gustav Stresemann was Foreign Minister, the foreign correspondents were received each Friday at a state tea. These weekly social gatherings became very significant from a journalistic standpoint, but at the present time have been discontinued by the German Government in the execution of its general policy of economy.

Internally, the "foreign" division of the Press Section is divided into eight departments headed by the so-called *Referenten*. These officials are in a sense reporters, or press representatives standing in an intermediate position between the foreign press correspondents and the Government. They are specialists, and devote their attention to the correspondents of particular countries. They seek to render every possible service to the journalists, furnish them information,

answer their questions, and work with them, while at the same time they must always have a certain attitude of encouraging the correspondents to friendly coöperation and appreciation of the Government's programs.

On May 1 the various national correspondents were classified into groups having common *Referenten*. These are: (1) Belgium, France with its colonies, Switzerland, and the League of Nations; (2) Albania, Bulgaria, Greece, Yugoslavia, Austria, Rumania, Czechoslovakia, and Hungary; (3) Italy with its colonies, Mexico, Central and South American Republics, Portugal with its colonies, Spain with its colonies, and the Vatican; (4) Great Britain, its dominions, Crown colonies, and mandates, exclusive of India; and the United States; (5) Abyssinia, Afghanistan, Egypt, Arabia, Persia, Palestine, Syria, and Turkey; (6) Danzig, Esthonia, Latvia, Lithuania, Poland, Russia, and the Ukraine; (7) Denmark, Finland, Iceland, the Netherlands exclusive of its colonies, Norway, and Sweden; (8) China, Indo-China, Japan, Dutch and British India, and Siam.

The correspondents in these various classes have in general a common and special interest in specific regions of the world, and the press department organized in this way is able to deal with the reporters according to classes of interests.

FOREIGN CORRESPONDENTS ACCREDITED BY GERMANY

The first official contact of a foreign correspondent coming to Berlin is with the *referent* who has charge of the press relations with his particular state. This official is well acquainted with the newspapers and their policies in his area. The correspondent presents his credentials from his editor to his *referent*, who approves or disapproves

them, and certifies him for official papers accrediting him as a foreign correspondent.

On March 18 a total of 406 foreign press representatives were accredited by the German Government. To tabulate these journalists according to nationalities is only once again to emphasize the enormous superstructure of journalism as it has grown up to supply a service of intellectual interaction among the national populations of the world. Classified according to nationalities the accredited list reads: Argentina 7, Austria 18, Belgium 3, Bolivia 1, Brazil 1, Bulgaria 10, Canada 2, Chili 1; Czechoslovakia 15, Denmark 14, England 27, France 27, Finland 7, Greece 5, Holland 16, Honduras 1, Hungary 11, India 4, Irish Free State 2, Italy 14, Japan, China, and South Asia 6, Latvia, Esthonia, and Lithuania 6, Mexico and Central America 7, Nicaragua 1, Norway 5, Palestine 3, Persia 2, Peru 1, Poland 14 (Jewish Press in Poland 8, Ukrainian Press in Poland 8), Portugal 1, Rumania 21, Russia 10 (Russian Emigrant Press 4), Spain 9, Sweden 20, Switzerland 12, Turkey 3, United States 73, Yugoslavia 6.

There are of course a large number of miscellaneous correspondents and journalists who come to Berlin but receive no official certification. While the size of this group varies with the season and the political situation, it is estimated by the Berlin police from registration slips that the number fluctuates around an average of three hundred.

CORRESPONDENTS' ORGANIZATIONS

The foreign correspondents are moreover strongly organized into two influential syndicates. The older and more important is known as the *Verein der Ausländischen Presse zu Berlin*, and was founded on June 30, 1906. On May 1 its membership was

150, representing 24 national states; United States members number 32, French 17, English 13, and Dutch 12. A special official, *Regierungsrat*, is assigned in the Press Section of the German Government to work with this *Verein*. The *Verein* further maintains its own headquarters office in the Hotel Russischer Hof, has a definite social life, and holds an annual press banquet. It even has special arrangements through which its members may take out accident, health, and life insurance. Through the central office, passes are distributed for 22 theaters and opera houses, and entrance cards to various sport and amusement places. This organization accepts only full-time journalists who are not members of the editorial staff of German newspapers and agencies, as candidates for membership. The initiation fee is 75 marks with monthly dues of 8 marks.

The second society of correspondents is known as the *Verband Ausländischer Pressevertreter zu Berlin*. For the year 1932 it has a membership of 108, representing 33 states. It was founded in 1922, chiefly to organize the correspondents who, because of their work on editorial staffs of German newspapers, were ineligible to membership in the older society.

The admission of the foreign correspondents to the Reichstag *Pressetribüne* raises the same difficulties that are experienced in the regulation of this problem in the legislative halls of most great capital cities. During the present German political crisis the attendance of the correspondents at Reichstag sessions has been so large that special arrangements have been required. In former years, fifteen seats in the press gallery were reserved for foreign correspondents. Under the pressure of the correspondents' unions, however, forty-three additional seats and thirty standing places were provided. The

petitions of correspondents led to a further alteration, which was the shifting of ten seats into space for twenty correspondents to stand. As a result, eighty-three foreign correspondents may now be accommodated. Permanent seats are not assigned.

The board dealing with the press affairs in the Reichstag consists of the director of the Reichstag, the keeper of the archives, a representative of each of the correspondents' unions, and the *referent* of the Press Section of the German Government who is especially delegated to deal with the correspondents' organizations.

The regulation of admission to the *Pressetribüne* and the issuance of press cards is a subject of present concern in Berlin, and illustrates the difficulties which governments have in regulating the press organization which has sprung up around it. *Geheimrat* Galle, director of the Reichstag, emphasizing that the admission cards to the press galleries of most parliaments are issued by the President of the Chamber upon the recommendation of the *Syndikaten* (correspondents' unions), recommended that their practice be adopted by the Reichstag. The representative of the *Verein* objected that it does not desire to have the decisive word in the distribution of cards, but only seeks to have the Reichstag administration set standards of admission which may be automatically applied. The *referent* stated his position as being only an advisory one. The director of the Reichstag asserted his incompetence to pass judgment on the number of requests for cards without the advice of the *Syndikaten*. He suggested that the blank cards be given to the two unions, which could then fill them out and distribute them at their discretion. A compromise, an alternative proposal of the director, has been reached, whereby a committee, as named above,

decides upon the individual distribution. The director then asked the Press Section of the German Government to prepare a list of correspondents who, according to the opinion of the foreign office, were unconditionally entitled to cards. This is known as List I and contains 81 recommendations. List II includes 28 correspondents, whose requests for cards are granted as far as possible.

PUBLICITY OFFICES IN BERLIN

There are a wealth of publicity offices in Berlin which work in coöperation with the correspondents. The membership book of the *Verein* lists forty-six publicity bureaus of major importance. These include the Prussian Government, the City of Berlin, practically every ministry, the great banks and business concerns, the political parties ranging from the Communist on the left to the Hitler party on the right, and cultural and interna-

tional societies. If space permitted, the listing of these publicity offices would be of interest.

As a rule, the various embassies in Berlin also have their own press experts as a part of their staffs. France, Belgium, Austria, Hungary, Czechoslovakia, Rumania, Bulgaria, Yugoslavia, Greece, Spain, Italy, and Denmark, as well as the League of Nations, have press advisers stationed in Berlin. While the United States has no official expert in Berlin, Robert Thompson Pell, press adviser to the United States Embassy in Paris, acts in this capacity for other ministries of the United States Department of State in Europe. The press bureau and the press adviser have indeed become an integral part of foreign affairs offices.

Such is the journalistic organization which has grown up around a representative political institution. It represents the structure of international intellectual intercourse.

Dr. Karl Bömer is Director of the Foreign Press Division of the German Institute for Newspaper Research. His most recent books on journalism include a "Bibliographical Handbook on Journalism" and a "Handbook of the World Press" which is a standard reference work on newspapers of all countries. At the present time Dr. Bömer is in the United States giving a series of lectures at the University of Minnesota, the University of Iowa, and Washington University in St. Louis, on the nature of the international press.

Dr. Paul F. Douglass is Fellow in Political Science at the University of Berlin. He is the author of "The Newspaper and Responsibility," "The Justice of the Peace Courts of Hamilton County, Ohio," "The Administration of Justice in Mayors' Courts," and a "Handbook of Practice and Procedure in Magistrates' Courts, State of Ohio." A forthcoming monograph of his in the German language deals with the "Nature of the Editorial Process." As Taft Fellow in Political Science at the University of Cincinnati, he assisted the Institute of Law at Johns Hopkins in the study of judicial administration in Ohio.

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BEARD, CHARLES A. (Ed.). *America Faces the Future.* Pp. viii, 416. Cambridge: Houghton Mifflin Company, The Riverside Press, 1932. \$3.00.

This symposium on economic planning should be on the required reading list in every course on economics aiming to come to grips with the present depression, and in the library of every one who wishes to keep informed of the economic currents about him and the new intellectual outlook confronting this generation. The editor has brought together with stimulating interpretation and comment a number of contributions which either throw light on a diagnosis of our present economic situation or indicate a way out of our present difficulties. Each author included has something to say and usually says it with clarity and force. There is a minimum of overlapping, with few dull pages in the whole volume.

The editor, who contributes an economic plan of his own, assumes that economic planning is the logical extension of scientific management, and so should be labeled "made in America" rather than looked upon as a Russian product. His premise is that "the area of economic life controlled by planning is bound to widen." The issue raised in this volume is merely "under what institutional auspices shall the planning be done?" Of the three choices, "chaos" or drift, "collective control" after the manner

of Russia, or "collective leadership," Dr. Beard rejects the first as unintelligent and lacking in vision, and the second as making for a dictatorship; while he accepts the third as meeting the situation in a way that harmonizes with American traditions, present economic conditions, and the future aspirations of a people to whom both science and liberty are cherished social values.

It is the editor's conviction that in the course of our industrial evolution we have developed so many functional organizations that we need one more; viz., one whose sole function shall be the coördination of them all to the end that there shall be a better balance between mass production and mass consumption by means of more adequate wages and greater security for labor, the basis of all mass purchasing power.

Part II of the volume presents a number of "Blue-Prints for a Planned Economy," including the Swope plan, the plan of the United States Chamber of Commerce, the La Follette plan, the editor's plan, and several others. These are analyzed and the agreement on the essentials indicated. They all agree that the plan must suit the American people and follow the general pattern of "collective leadership," in which initiative must come from both industry and government, the latter exercising such a "control over" the trade associations or syndicates called for by the various plans as the necessity for coördination demands.

Dr. Beard leaves the reader with the conviction that to transfer these tentative blueprints here brought together into workable plans and to realize them in actuality is the supreme task of this generation.

FRANK D. WATSON

Haverford College

SOULE, GEORGE. *A Planned Society*. Pp. x, 294. New York: The Macmillan Company, 1932. \$2.50.

It should be stated at the outset that this latest book by George Soule cannot be classed as "another plan." The author makes no pretense of outlining a detailed plan for our society (which would have no chance of being adopted, regardless of its merits); rather, he has written a splendid treatise on the philosophy and the technique of planning.

Mr. Soule first sets forth a picture of our society in the period since the war—a chaotic state out of adjustment with its environment; a competitive and individualistic society with no sense of directivity or purpose, and no standards upon which to base social judgments or decisions. Not only has our society not had any standard of reference, but our social philosophy, based on time-worn dogmas and an abstract theory of individual liberty, has militated against any directivity in social change.

Under such conditions, the author thinks the first step is for society to recognize the desirability of and the need for defining standards and purposes of planning. He maintains that man naturally has an organizing disposition which will be effective in working out and executing a plan for society as it has been in organizing and planning in more limited spheres of economic and social activity. He points out that we have been setting up larger and larger areas of social control over individual activity. We instituted these controls because changing conditions forced us to do so. Many of these controls have been ineffective because we have backed into them under the force of changing conditions and have not set up any criteria of social objectives.

Finally, Mr. Soule discusses the aims and objectives at which social control and planning might direct itself, and suggests organizing a national planning board which

would have the task "of accumulating the necessary information, correlating it, working out broad policies, and supervising the organization of productive and distributive industries, of banking, of agriculture and the labor market, for the purpose of teamwork in accomplishing the national purpose."

EMMETT H. WELCH

University of Pennsylvania

FILENE, EDWARD A. (with WOOD, CHARLES W.). Introduction by FRANK, GLENN. *Successful Living in this Machine Age*. Pp. 274. New York: Simon & Schuster, 1931.

A more descriptive title would be "Economics of an Original, Liberal Employer" or "What Mass Production Has Done to the World." The book is challenging, simple in style, and modest. Material success is regarded as important only because it makes culture, art, and idealism possible. Mass production, or more correctly, *production for the masses*, has changed economics and business. It depends upon low prices, high wages, and a higher standard of living. Mass production needs the consumer's dollar and must preserve it from waste and graft.

The book makes its points clearly; as, "Mass production can *make* markets; old-fashioned business could only *find* them." It is arresting; for example, "When wage earners mortgaged their future to buy goods, business was good; but when they mortgaged their future to buy stocks, the fall in the demand for goods lost them their jobs." It is confident that business men have the wisdom to discover the implications of mass production and to base social planning upon fact-finding.

Amid many recent books of lamentation, this is a song of courage, good cheer, and faith in continued progress.

OTTO T. MALLERY

Philadelphia

DEANE, ALBERT L., and NORTON, HENRY KITTREDGE. *Investing In Wages: A Plan for Eliminating the Lean Years*. Pp. viii, 155. New York: The Macmillan Company, 1932. \$1.75.

The basis of the plan is the stabilization of purchasing power by stabilizing the

volume of wages in the manufacturing industries. The method is by compulsory shortening and lengthening of hours of labor in ratio to the total estimated volume of manufacturers' output.

The author, who is said on the flap to be "an executive of one of our largest corporations," thus proposes what labor unions have fought for and employers have resisted for generations. This would be enough to make the book a landmark, but there is much else. The method proposed is by shortening hours by compulsory governmental action guided by compulsory cost statistics from employers. Even to suggest this takes courage and optimism, when 80 per cent of the textile industry has just failed to enforce a shortening of hours upon the minority during a period of great depression. When 80 per cent of an industry with the backing of years of public education cannot eliminate night work for women and children from the recalcitrant 20 per cent, a step already achieved in many leading countries, the author is bold enough to propose that the United States should take the lead in a more far-reaching control of hours of labor than that exercised in any other country.

The plan is worked out in careful detail with appropriate Federal and state fact-finding and administrative bodies. The economic arguments are well presented. When such a plan of complete governmental regulation finds a publisher, "laissez faire" and the "iron law of supply and demand" must be at death's door.

OTTO T. MALLERY

Philadelphia

NATIONAL INDUSTRIAL CONFERENCE BOARD, INC. *The Cost of Living in the United States, 1914-1930*. Pp. 170. New York City: 1931. \$3.00.

This volume has more significance than its immediate predecessor in the N. I. C. B. publications, 1914-1929, in that the basic budget (previously largely 1901) and base date (previously 1914) are both shifted to a postwar basis (1923). The writers protest that these changes do not make much real difference, but admit that the base date is "unconsciously" taken as "normal" by readers. Doubtless their

selection of the basic quantity-budget may also be "unconsciously" taken as "normal" by employers in figuring wages, though this point is not stressed. Dietitians and home economists should now examine and check up the new "postwar" standard thus set by this employers' organization, both for weighing and for adequacy. The bulk of the book consists of detailed figures on the separate items and groups of expenditure.

Price changes are brought down through the first year of the present depression; since then the drop has been so continuous that the volume would already be of significance chiefly for comparative purposes, except for the two excellent and lucid chapters on methods and problems in the measurement of costs of living and on the significance of base date and basic budget in such work.

The reviewer would take exception to inconsistencies in the usage of the words "income" (p. 41), "normal" (p. 37), and "standards" (pp. 12, 16), which may eventually prove misleading. Differences of standards are, e.g., called identical with differences of income. The word "theoretical" applied to budgets conveys ("unconsciously") a slur on a type of estimate which may, after all, represent a more nearly scientific budget or standard in the original meaning of those words, than does a mere average of actual (and possibly inadequate) expenditures of actual families, taken as "theoretically" typical. Needs and cultural demands and changing standards (especially in "sundries") are just as *actual* as expenditures, yet are largely ignored in such studies as those of the National Industrial Conference Board which, so far as standards are concerned, are "actual" in neither sense.

THOMAS D. ELIOT

Northwestern University

WRIGHT, QUINCY (Ed.). *Unemployment as a World-Problem*. (Lectures on the Harriss Foundation, 1931, by John Maynard Keynes, Fellow and Bursar of King's College, Cambridge; Karl Pribram, Professor of Economics and Political Science, University of Frankfurt; E. J. Phelan, Chief of Diplomatic Division, Interna-

tional Labour Office, Geneva.) Pp. viii, 260. Chicago: University of Chicago Press, 1931. \$3.00.

These nine lectures were delivered at the University of Chicago from June 27 to July 2, 1931, under the auspices of the Norman Wait Harriss Memorial Foundation, and are edited by Mr. Quincy Wright.

Mr. Keynes reiterates his belief that the present depression adds weight to his theory that depressions begin when "the value of current investments is less than the savings of the public"—a doctrine previously expounded in his *Treatise on Money*. This disparity between current investments and savings will continue until the actual volume of production increases or at least ceases to decrease, this being the condition economic society must attain before recovery can begin. Only a "fall in the long term rate of investments and a return of confidence to the business world so as to incline them to borrow on the basis of normal expectations of the future can initiate an upward movement; and a higher level of prices is absolutely required to create these two conditions."

The way out is not by cutting costs to correspond to lower prices, but to raise prices. Mr. Keynes opposes the lowering of wages and salaries because such a procedure would probably produce a social upheaval; and a lower price level is suicide for the debtor. He would increase the volume of investment by increasing business confidence, by increasing government construction, and by lowering the rate of long-term interest—this latter to be accomplished by making bank assets more liquid through central bank activities, by lowering the rate of interest on liquid funds, and by making long-term investments more attractive than short-term.

Only in these three suggestions does Mr. Keynes fail to offer any real plan other than that a nation can lift itself by its bootstraps by inflation, thereby indicating that banking and credit students have added nothing to our technique of business stabilization since the days of Andrew Jackson—have added nothing because they fail to reach the heart of the business cycle.

Mr. Pribram has given us an unusually

penetrating analysis of the existing unemployment and a balanced (he is a professor at the University of Frankfurt) view of the international debt situation in relation to the problem of getting men back to their jobs. Although each country has a different set of obstacles to overcome, three lines of procedure are possible, to wit: control of production of food stuffs and raw materials, the freeing of international markets from barriers, and improvement of the world's distribution of capital.

Mr. Pribram observes that credit and monetary reforms have failed to prevent economic crises and places his hopes upon control of production itself rather than indirect control of manufacturing through credit expansion and contraction.

The reasons for Germany's suffering more than France and England are clearly set forth, with the major emphasis upon the relative scarcity of capital. The rapid rationalization of industry and agriculture from 1925 to 1928 created an untoward increase in the production of foodstuffs and certain raw materials without a proportionate increase in the consuming power of nations; artificial stimulation by price control was a factor.

The way out is largely through reducing costs but not to a level conducive to social upheaval.

Mr. Phelan, by virtue of his activities at the International Labour Office, has observed the conflict of opinions voiced by representatives of labor, employers, and governments at various conferences sponsored by his Office. He speaks of unemployment as "the cancer of the body economic," but deplores the absence of a good workable definition of unemployment. Unemployment insurance is justified in the absence of an actuarial basis, because the social and economic aspects of joblessness cannot be separated; in fact, his interpretation of unemployment insurance costs in England and Germany minimizes them.

As a whole, this volume of lectures, unhampered by details, is an excellent cross section of the collective thought of European economists on the way out of our present *international depression*.

FRANK G. DICKINSON

University of Illinois

University of Minnesota Employment Stabilization Research Institute. STEVENSON, RUSSELL A. *The Minnesota Unemployment Research Project*. Pp. 26. Vol. I, No. 1. 1931; and *Proceedings of the Minnesota Conference on Unemployment Relief and Stabilization* (November 1931). Pp. 95. 1932. \$1.00.

STEAD, WILLIAM H., and BJORNARAA, DRENG. *Employment Trends in St. Paul, Minneapolis, and Duluth*. Pp. 135. Vol. I, No. 2.

KOZELKA, RICHARD L. *Business Fluctuations in the Northwest*. P. 29. Vol. I, No. 4. 1932. Minneapolis: University of Minnesota Press. 50 cents.

The Minnesota Unemployment Research Project outlines the various research projects being undertaken by the University of Minnesota Employment Stabilization Research Institute. These projects represent an intensive research into the unemployment problem, using the individual worker and firm within the confines of a single community as the points of attack. In connection with the more general unemployment problem, such research should be of considerable value for two reasons: first, it should reveal both the possibilities and the limitations of the specific approach; and secondly, it should help to determine the mechanism necessary to administer more generalized action when and if it is undertaken.

Employment Trends in St. Paul, Minneapolis, and Duluth presents the variations in employment of 411 firms in St. Paul, Minneapolis, and Duluth. The employment data are classified by industry and by occupation in each of the three cities, and cover the years 1925-1930 in St. Paul, 1926-1930 in Minneapolis, and 1927-June 1930 in Duluth. The analyses presented in this study reveal some interesting tendencies, of which the following are the most striking: (1) In the years preceding the depression, total employment showed no appreciable increase, while production was increasing rapidly. (2) In the same period, a shift from men to women and from skilled to semi-skilled and unskilled workers was apparent. (3) Large retail distribution units increased their employ-

ment much more rapidly than small units up to the end of 1929. However, in the depression year 1930, the large units showed a much greater decline in employment than the small units. (4) The attempts of some observers to explain away the seriousness of the poor showing of factory employment in the years preceding the depression by assuming that employment in other lines has replaced factory employment, find no support in this study. In fact, of all the industrial groups included in this study, manufacturing made the best employment showing, with the single exception of retail trade.

Business Fluctuations in the Northwest describes and presents a general index together with several subsidiary indexes of business activity in the Ninth Federal Reserve District. It should be of value not only to those interested in business activity in the area covered, but also to those interested in the general field of measuring business conditions in specific areas or communities.

At the Minnesota Conference on Unemployment Relief and Stabilization, held at the University of Minnesota, November 17-19, 1931, the problems of unemployment relief and stabilization were discussed from numerous and varied viewpoints—practical as well as theoretical. The summary of the proceedings presented in the publication edited by Russell A. Stevenson should prove valuable to all persons interested in unemployment problems.

EMMETT H. WELCH

University of Pennsylvania

MOONEY, JAMES D. *Wages and the Road Ahead*. Pp. viii, 149. New York: Longmans, Green & Company, 1931. \$2.00.

This is a plea by an industrialist for laissez faire, deflation, and individual self-help. The writer, an executive of the General Motors Export Company, contrasts the low costs of the automobile industry with the high costs of the building industry, where he finds the average wage of the building trade workers in boom times was twice the average for all wage earners. The result is said to be that housing in the United States is backward, and a satis-

factory home is a luxury few can pay for in a lifetime.

The book contains no plan. It asserts the necessity for lower wages and lower costs before trade can be resumed. In the chapter on international aspects, the American tariff is asserted to be a reason why Europe cannot pay its debts. "Once bottom is reached in our essential and inevitable deflation, we shall have achieved a firm base on which to build."

OTTO T. MALLERY

Philadelphia

SPERO, STERLING D., and HARRIS, ABRAM L. *The Black Worker—The Negro and the Labor Movement*. Pp. x, 509. New York: Columbia University Press, 1931. \$4.50.

This is the authentic book on the colored worker to date—an informed study of the status of the Negro in industry, past and present. The career of the American Negro is reviewed from the life of slavery to the mass industrialism of the present day. The relations of colored labor to the American labor movement as a whole are presented; and the factors of reciprocal causation, including a competitive labor market, race prejudice, and trade union politics and organization are analyzed.

Technically, the book is a carefully documented story of the Negro's rôle in the history of American labor. It offers a devastating picture of the opportunistic policies and practices of early labor movements and of the American Federation of Labor; the crass selfishness of the autonomous craft unionism of the United States is revealed. Here is the fullest account yet available of the menial position of the Negro in American economic life. The mass of facts and figures makes the volume hard reading, but establishes its value as the authoritative reference work on the question. Special attention should be called to the detailed chapters on the Negro in skilled trades, and on the policies of the separate trade unions in their paradoxical and self-defeating treatment of Negro labor. A multitude of economic facts are reinforced by clear thinking about them. There is an adequate Bibliography and Appendix.

The intellectual or ideological approach of these progressive economic writers indicates that the Negro's problem is not uniquely racial, but economic. Racial discrimination is, of course, reflected by the chronicle. Instance is added to instance, from one industry and one period to another. The impressive weight of fact proves the costliness to American labor of not realizing that the technical processes of industry have made the Negro an integral part of the American labor force, and of not seeing that craft must give way to industrial or federated unionism and ignore the color line, before an effective labor movement can be built or the democratic struggle in American life renewed.

What is the future of labor in the United States, especially as regards the Negro? The authors, as scientists, have no glib solution. The economic futility of the ideal of an independent black society is shown. Entrance of most into the life of the great American middle class seems blocked by the march of the machine and the revolution in agriculture; but the pitfalls of panacea policies are also given full recognition. The interesting section analyzing the attitude of the embryonic radical movements—the I. W. W., the Mine Workers, socialism, and communism—to the Negro, and the Negro's psychological responses to the appeal and the doctrine of working-class consciousness, represents a quite original contribution. The future of the Negro, none too bright, is related in realistic fashion to the precarious outlook for the labor movement and to the career of progressive political action in our swiftly changing and contradictory land.

FRANCIS TYSON

University of Pittsburgh

WOODY, THOMAS. *New Minds: New Men?* Pp. 528. New York: The Macmillan Company, 1932. \$4.00.

Of the making of books on the Russian experiment there is likely to be no end. For the present the difficulty is to add something new to the growing volume of literature on the subject. This difficulty Dr. Woody has eminently succeeded in surmounting. Fully equipped with a rich knowledge of the Russia of the past and

with personal study of the progress of the Revolution since its early days, Dr. Woody has restricted his investigation to the Emergence of the Soviet Citizen. In fourteen chapters he has traced with admirable clarity, which has left no phase untouched, all the forces and influences directed to molding the Soviet citizen from infancy to adult life.

The book is not, however, a new treatise on education, unless education is defined in the broadest terms in which it can be interpreted. In accomplishing his task, Dr. Woody has done more than describe the wide sweep of education in Russia, which apparently refuses to leave anything to chance in achieving its goal of creating new men with new minds; he has revealed to those whose vision of education is limited by the walls of the school, curricula, methods, and textbooks, that no education can be expected to be successful if it is divorced from the environment in which it functions. The Russians have set up what Professor Dewey calls objects of allegiance, all directed to the single end of establishing the unquestioned acceptance of the Revolutionary ideology.

That there are dark spots, Dr. Woody does not seek to conceal in his impartial and objective account of the progress made up to the present. For the sociologist and the political scientist, Dr. Woody's *New Minds: New Men?* furnishes a case study of propaganda on a scale never before attempted except during the War. To the educator it issues a challenge, which has not yet been taken up, to turn from the narrow consideration of techniques to the discovery in the American scene of the moral equivalent of the Russian concept, which Dr. Woody so ably describes.

I. L. KANDEL

Columbia University

TAYLOR, ALONZO E. *Corn and Hog Surplus of the Corn Belt*. Pp. xxi, 658. Stanford University, California: The Food Research Institute, 1932. \$4.50.

Alonzo E. Taylor, Director of the Food Research Institute, has attempted an exhaustive analysis of one of this country's major agricultural problems. Part I of this volume examines the "nature, extent

and consequences of a surplus of corn and hogs," including a consideration of corn and hog production and disposition in the United States, exports, domestic and international prices, and postwar conditions. Part II takes up possible ameliorative devices: the equalization fee, the export debenture, the farm allotment plan, price stabilization, and internal methods of farm relief.

The volume is unique in its emphasis upon long-time trends, its thorough statistical analysis, and its laudable attempt at forecasting. It is one of the most scholarly studies of agriculture produced in recent years. Detail statistical appendices and a careful index are included.

RALPH F. BREYER

University of Pennsylvania

MLYNARSKI, FELIKS. *The Functioning of the Gold Standard*. League of Nations Document F. 979. Pp. 115. Geneva, 1931. Boston: World Peace Foundation.

In this study, written for the Gold Delegation during the latter part of 1930, Dr. Mlynarski analyzes the changes that have occurred in the gold standard organization of the world since the prewar period, and appraises the possibility of the continued existence of an international gold standard in the future. To those who are familiar with the previous writings of the author, the discussion of the various postwar forms of the gold standard in this monograph will not offer anything new.

Considerable interest attaches, however, to Dr. Mlynarski's discussion of future tendencies. By careful analysis of the theories of Cassel and Kitchin, he demonstrates that there is not at present a shortage of monetary gold, but he also suggests that the fond ideal of so many economists—the stabilization of the purchasing power of gold—depends upon other factors beside the adequacy of gold production. The events of the past decade make this ideal more important than ever before, but in order to attain it we must do more than coördinate the monetary systems of the world. It is necessary to regulate the distribution of the national income in order to make the appropriate policies of the central bank effective.

The author suggests, moreover, that the present problems of the gold standard are closely bound up with the rate of accumulation of capital in the various countries, with domestic fiscal policies, and with the freedom of international intercourse. In short, he concludes that "the future of the gold standard depends on the good will of nations and of their political leaders."

F. CYRIL JAMES

University of Pennsylvania

EDIE, LIONEL D. *The Banks and Prosperity*. Pp. xi, 179. New York: Harper & Brothers, 1931. \$2.50.

This is a book of exceptional merit. It is lucid and to the point, scientifically conceived and factually correct, closely and thoroughly reasoned, and bears a challenging message to an economically ill world groping for a way to avoid future debacles such as it is experiencing today. Readers who expect to find a book of statistical details and documental evidence will be disappointed. An interesting contribution takes the form of an account of the central banking mind. The author proposes that central banks should not be considered as passive anvils receiving the blows of credit demand, but as institutions whose functions are performed for ill or good through policies formulated and administered by governing mentalities—mentalities bewildered because of a lack of criteria as bases for proper judgments, and in some measure blind with respect to the power they wield in the economic system.

The book is unique in that it strips the bank credit situation and the central banking problem of credit policies down to its essentials. It lays bare the unfolding problem of central bank control, which is that the evolving system of modern business requires the steadying and guiding hand of a central bank and that the "new" objective of central bank policy should be calculated to aid in the planning of modern economic life.

The author feels that the problem of central bank credit control might "be solved outside legislation." What is needed is intelligent and foresighted leadership in central bank management; not more legislation, but "top men of the highest

caliber." Further, it is proposed that credit policy should rest on a production index: quoted—"The positive credit guide here proposed is the normal rate of growth of production. Central banks should aim at so regulating the reserves of the banking system that the outstanding credit built upon those reserves will expand at the same rate as the long-term growth of production. There is enough credit when the curves of credit growth and production growth parallel each other. More than this is too much; less than this is too little." This yearly rate of growth may be 4 per cent; so much additional credit would seem sufficient after allowing for the changes in the cyclical velocity of outstanding credit.

The final chapter on the passing of the gold standard is also exceedingly timely, and effectively exposes much of the current myth with which the gold standard is still enshrouded not only in the minds of the laity but also in those of many of the so-called "experts" on money and banking.

W. C. SCHLUTER

University of Pennsylvania

CHAMBERLAIN, LAWRENCE, and HAY, WILLIAM W. *Investment and Speculation*. Pp. xiii, 322. New York: Henry Holt and Company, 1931. \$2.40 students' ed.

One takes up this book with the feeling that here is a thoughtful volume on the fundamentals of security investment and speculation. Years of colorful experience form the background from which the authors can draw. The volume turns out, however, to be in the main an adverse criticism of fixed investment trusts, of common stocks as a long-time investment, and of "new era"-isms. A considerable number of other platitudes popular since the advent of declining prices are sprinkled in to enlarge the copy to sizable proportions.

The authors' discussions are built up from their definition of investment. "It is true and probably always will be true in the present social structure, that the fundamental principle of investment lies in its definition: 'Investment is parting with the control of wealth (usually funds) during a fixed period of time, for the consideration of a fixed periodical rental, commonly called interest.' A pure investment is

always a loan. There is implied in this definition the return of the funds at the end of the pre-determined period *with value unimpaired*" (p. 8, italicized by the authors). With this definition as a premise, the authors' case against stocks as an investment under any circumstances is an easy matter. Stocks do not represent loans.

The authors are aware, of course, that a wide distribution of purchases is highly important in reducing risk, and include a discussion of this factor. They also observe (on p. 9) that "Speculation and investment are actuated by the same motive: desire for gain; the difference between them is the difference in degree of risk willing to be assumed. This risk finds its most patent expression in the ratio of current return expected of the capital." At another point, too, they devote considerable space to the influence of changes in the purchasing power of money. This third factor alone makes all bonds speculative instruments in a period of rising prices according to the authors' definition, since their value is returned very much impaired. But they do not attempt to apply these factors to all types of stocks and bonds for the purpose of building up a sound concept of investment, since their concept is assumed at the outset.

G. WRIGHT HOFFMAN

University of Pennsylvania

WILLOUGHBY, W. F. *Financial Condition and Operations of the National Government 1921-1930*. Pp. xii, 234. Washington: Institute for Government Research of the Brookings Institution, 1931. \$3.00.

Any one who has struggled through the annual financial reports of the Treasury, or the more satisfactory budget statements, in the attempt to secure a clear picture of Federal finance, should welcome this volume with cheers. The purpose underlying its preparation is brought out by the author's distinction between *fidelity* accounts, designed to record and trace the receipt, the custody, and the disbursement of all Government funds, and *public information* accounts, for showing the real financial condition, income, and cost of government.

The first type of statement, although absolutely essential to Government accounting officials for effective check-up, is of little assistance to legislators and taxpayers. Since such accounts are stated in gross amounts, they show receipts unnecessarily enlarged by repetitive borrowing transactions, receipts from Government insurance policyholders, repayments of funds loaned to special business enterprises, and so forth; while expenditures are similarly enlarged by payments into trust funds, transfers, money surrendered to states and dependencies, repayments of short-term borrowing, and such items. Assuming an interest on the part of students and taxpayers in the net results of government, the author has revised the official figures for the period 1921-1930 to eliminate such duplications and has analyzed the political events and policies responsible for the changes noted.

The results are shown in separate sections dealing with financial condition, operating statements, Federal income, Federal expenditures, and public debt. Financial condition is shown by the somewhat novel device of an annual Treasury balance sheet, with assets consisting of cash, foreign government obligations, loans (to railroads, and so forth), securities of subsidiary corporations, and other items, and liabilities in the form of government debt, each type accompanied by textual analysis. In a brief operating statement, receipts and disbursements are classified according to beneficiary (Federal Government, District of Columbia, and trust funds), and income and expenditures are classified according to character.

The most important sections are those dealing with income and expenditures. Both revenue and nonrevenue receipts are itemized in detail by source and organization units. Governmental expenditures are classified as expenditures for "government proper" with extensive detail for organization units, "other governmental costs," and "special business enterprises." Especially noteworthy in the second grouping is the segregation of grants-in-aid and surrender of income to states, and expenses for government of territories. Nongovernmental costs, consisting of debt retirement,

investments, and loans, are also segregated in considerable detail.

A concluding section analyzes public debt transactions during the ten years, and two appendices show ordinary receipts, disbursements, and gross debt for each year from 1791 to 1930, and the cost of the War through 1930.

The volume is an exceptionally valuable contribution, and maintains the high standard established by the author in his preceding studies for the Institute for Government Research.

C. P. WHITE

University of Tennessee

VAN SICKLE, JOHN H. *Direct Taxation in Austria*. Pp. xi, 232. Cambridge: Harvard University Press, 1931. \$3.00.

This volume, which was awarded the David A. Wells Prize for the year 1928-1929, is a serious analysis of the taxation system in Austria before, after, and during the war. The volume is divided into seven chapters, of which chapters one and two deal with the prewar and war situation, chapters three to six, inclusive, with the taxation system in present-day Austria; and chapter seven is a conclusion. The most valuable part of the volume is the chapter dealing with the capital levy.

Mr. Van Sickle's book is of importance not only to those who are interested in Austria but particularly to students of taxation. By taking Austria as an example, the author clearly shows how taxation determined by various political parties influences the creation and the distribution of wealth. The author also analyzes very carefully the pros and cons of the capital levy and shows its influence on the national economy of the country. The volume is well documented and has a complete Bibliography.

M. NADLER

New York City

WHEELER-BENNETT, JOHN W. (Introduction by MAJOR GENERAL SIR NEILL MALCOLM). *Disarmament and Security since Locarno, 1925-1931*. Pp. 383. New York: The Macmillan Company, 1932. \$4.00.

This convenient volume presents a clear and well-organized story of the security

problem since 1925. In two earlier volumes, one on *Information on the Reduction of Armaments* and the other on *Information on the Problem of Security*, the story was brought up to the Locarno Treaties of 1925.

In the present volume, the author represents the background of the Disarmament Conference which assembled in February of this year. The labors of the Preparatory Commission and the London Naval Conference are discussed in the first part, while the record of the movement for the renunciation of war and the League's Security and Arbitration Committee make up most of the second half of the book. Much of the material in the volume appeared before in the columns of the *Bulletin of the Royal Institute*, but it is all excellent and well worth having in this convenient form.

WILLIAM E. LINGELBACH

University of Pennsylvania

HANTOS, ELMER. *L'Europe Centrale. Une Nouvelle Organisation Economique*. Pp. 259. Paris: Librairie Felix Alcan, 1932. 15 francs.

Professor Hantos, a well-known authority on the economic questions of the continent of Europe, makes a plea for economic coöperation among the various succession states of the old Austro-Hungarian Empire. He presents a very feasible scheme for the coöperation among the various states, embracing commercial, industrial, agrarian, and transport facilities. He purposely leaves out the question of monetary and financial policies of the various countries. The volume accordingly is divided into four main parts: (1) commercial reorganization; (2) industrial reorganization; (3) agrarian reorganization; (4) reorganization of transport facilities.

Realizing that any change in the continent of Europe can come only through the coöperation of the great powers, Professor Hantos in his Foreword indicates that changes in Central Europe can take place only with the consent and coöperation of France, Italy, and Germany. Professor Hantos considers carefully all the proposals that have been made to improve economic conditions in the heart of Europe. He finds that the Little Entente is too politically minded and not economically self-

sufficient. Similarly, he discusses the Austro-German *Anschluss*, and in view of the difficulties that may arise from it, he rejects it. He also rejects a proposal of coöperation among the agrarian states and a combination or union of Austria and Hungary. The latter he feels cannot remedy the situation.

Professor Hantos' views are based on facts and no one can argue against his conclusions. The only difficulty is that the political situation, as was shown at the last London meeting dealing with the Danubian Confederacy, makes it difficult at the present time to come to a settlement at the Danubian Basin.

M. NADLER

New York City

TOYNBEE, ARNOLD J., assisted by BOULTER, V. M. *Survey of International Affairs, 1930*. Pp. 605. New York (and London): Oxford University Press, 1931. \$7.00.

WHEELER-BENNETT, JOHN W. (Introduction by KENYON, SIR FREDERICK G.). *Documents of International Affairs 1930*. Pp. vi, 264. New York (and London): Oxford University Press, 1931. \$4.00.

The extraordinarily high quality of the publications on world politics of the Royal Institute of International Affairs is well known, and these volumes again attest it. The first of them reviews the international developments of the year 1930, not only with completeness and accuracy, but also with a fairness which would almost achieve the impossible of winning the commendation of all sides.

Here we have, in most timely preparation for the Geneva Conference, a perspicacious review of the London Naval Conference and the work of the last session of the preparatory Commission on Disarmament, supplemented by a note, revealing and disturbing, upon the *rapprochement* between Germany, the U. S. S. R., and Italy.

The Briand plan for European union and the facts of the British Mandate in Palestine are discussed. If the sections on China seem to be of minor significance, it is only because matters of much greater importance have come to the fore in that part of the world since the book was written.

There is room for little criticism of the treatment of matters in the Western Hemisphere. It is objective and, so far as specific facts are concerned, generally accurate. Perhaps the most serious criticism which can be made is in relation to Latin American affairs, where the author's attitude appears to be the outgrowth of a traditional view of the various Latin American nations rather than an appreciation based upon actual observation in more recent months. As a result, there is a blurring of the southern countries into a hypothetical "Latin America" and a failure to bring out the increasingly individual development of the separate states—especially those of South America. It is both a comfort and a discouragement to find British writers falling into the same easy generalization to which our own publicists are so prone.

The statement of the French view of security in the Introduction has hardly been improved upon.

The *Documents* are by no means a mere supplement to the *Survey*. The quotations from the parliamentary addresses of the great European leaders form a symposium of international politics which makes fascinating reading.

Students of international affairs the world over will renew their gratitude to the Royal Institute for these volumes.

HENRY KITTEDGE NORTON

Ossining, N. Y.

GORDON, LELAND JAMES. *American Relations with Turkey, 1830-1930*. Pp. xv, 402. Philadelphia: University of Pennsylvania Press, 1932. \$4.00.

Public interest oscillates from place to place. The locality which loomed so conspicuously yesterday is forgotten today, while the significant region of tomorrow appears without warning. This untimely situation can be traced to the historian who is too much of a historian, the journalist who is too much of a journalist, and the politician who is primarily a politician. Perhaps Turkey, formerly a great empire but now largely forgotten, will suddenly loom forth on the world horizon as unexpectedly as have Russia, Italy, Germany, Spain, China, and Japan since 1918.

Of Professor Leland J. Gordon's economic analysis of American-Turkish relations during the last century, the reviewer notes with especial satisfaction the approach, the scope, and the general contents. More volumes of this type are needed. Rightly, the author introduces political and good-will activities to help explain the involved currents of industry, trade, and finance. At the same time, greater emphasis should be given here to the influences arising from geography, for the future as well as the past of this predominantly Asiatic country is intimately related to its position as a bridge between the East and the West, contiguous to the Balkans, Soviet Russia, Syria, and the Middle East.

Since literature dealing either with Turco-American relations or with Turkish economics is scant, this book supplies a distinct need. The author's good fortune in securing access to diplomatic archives is evident. His chief contribution is the new material relating to the abortive Chester concession—the most ambitious economic program in Turkish annals. The names of persons who read the manuscript give the reader additional confidence. The reviewer, however, finds that too great reliance is placed upon the official statistics, especially for the prewar period, with no critical comment that the origin and the destination of much of Turkey's commerce cannot be depicted by countries, because of the large amount of shipping and trade formerly handled via Eastern Mediterranean, Adriatic, and German ports.

The Bibliography, the chronology, the tables, and the praiseworthy attention to the spelling of proper names are worth-while features of Professor Gordon's monograph.

ELIOT GRINNELL MEARS

Stanford University

CROCKER, W. R. *The Japanese Population Problem*. Pp. 240. New York: The Macmillan Company, 1931. \$4.00.

This book bears the preface date of September 1930. It sets forth in a clear and concise manner the main elements of the population situation in Japan. The author finds Japan a strange combination of miles of untouched natural land and "an overcrowding of human beings . . . pent up in

thick density on the flats and valley bottoms"; a virile, proud people, with a noble history, facing a density greater even than that of the United Kingdom, subject to the law of diminishing returns, striving to attain a higher standard of living by the process of industrialization though facing a scarcity of natural resources, and, withal, pent up by migration restriction of the most severe character.

However, though Japan's population problem is acute in the immediate sense, the author finds that it is not so serious when the true trend of her population increase is considered. The marriage rate is shrinking and the average age of marriage is probably slowing down. "The fecundity [*sic*] of Japanese families, which has been declining throughout the last two decades, has now begun a fairly sharp fall. And the spread of contraception, perhaps encouraged and organized by the authorities, will guarantee the continuance of the fall." The crude death rate is about to decline, while the crude birth rate promises to be high for some time to come. Before the full effect of the trend in natural increase is felt, however, there will probably be added fifteen to twenty millions to the present population of Japan.

It is in view of this fact that the present situation becomes acute. The author shows that Manchuria is the only hope for Japan. In Manchuria "the elements of inflammation are plentiful enough, and we can be sure that any combustion that may burst forth will be quelled by Japan, and her own interests maintained." Moreover, "to oust her from Manchuria . . . will be a war to the death."

The book throws penetrating light upon the entire situation in the Far East, and the author, without purposing to do so, has shown Japan's side of the picture.

CONSTANTINE PANUNZIO

University of California

NITOBÉ, INAZO (and others). *Western Influences in Modern Japan: A Series of Papers on Cultural Relations*. Pp. xii, 532. Chicago: University of Chicago Press, 1931. \$4.00.

This volume is composed of papers which were originally prepared for the delegates

to the Kyoto Conference of the Institute of Pacific Relations in the Autumn of 1929. Dr. Nitobé has written only one of them. For each of the other twenty he has obtained an expert in the particular field discussed. Thus, "European and American Influences on Japanese Education" are described by the Professor of Education in the Imperial University of Tokyo; "Religions in Japan" by the well-known Professor Anesaki of the same university; "Politics in Japan" by Professor Yoshino of the same institution; "The Economic and Industrial Development of Modern Japan" by the Honorable J. Inouye, Minister of Finance; and "The Development of Social Movements and Social Legislation in Japan" by the director of the Tokyo office of the International Labour Office. Practically every phase of Japanese life is covered—although there is a singular lack of attention to agriculture, which still plays a very important part in the economy of the Nation. Nor is there so full a discussion of the economic situation as is essential to an understanding of modern Japan.

Naturally the book is favorable to Japan. It contains a great deal of useful information and should prove valuable to the reader who wishes to get a picture through the eyes of Japanese of what has been happening of late years in the island empire. So excellent are most of the chapters that it is difficult to single out any as especially significant. One that is not usually included in books on Japan is the effect of foreign influences, especially of English, upon the Japanese language. It is amazing to notice the number of words which have been taken over with very little change. So, too, the sketch of Japanese music is something which is not found in most of the general books on the country.

K. S. LATOURETTE

Yale University

The Manchuria Year Book. Pp. xi, 347. Tokyo: East-Asiatic Economic Investigation Bureau, 1931.

The Manchuria Year Book is published by the East-Asiatic Economic Investigation Bureau of Tokyo, and is a piece of statistical propaganda describing the re-

gion of Japan's interests in Northeastern China. Manchuria is defined as the territory of the three provinces of Liaoning (Fengtien), Kirin, and Heilungkiang, with the addition since 1929 of the province of Jehol. The bulk of the book concerns South Manchuria and many of the statistics are those of the South Manchuria Railway and its subsidiary organizations.

The 21 chapters deal with the usual year-book aspect of geography, history, politics, finance, agriculture, mineral resources, industry, transportation, trade, and social organization. In many instances, Japanese activities are given special and favorable treatment. Aside from this natural emphasis, the book presents a valuable collection of data covering the rapid changes of the present and the possibilities for the future. There are numerous cases where the careful student will wish that the authority were cited for statistics, for both footnotes and bibliography are lacking. Unquestionably the Japanese know more about this area than any one else; whether or not these figures are edited to their own advantage is another matter.

GEORGE B. CRESSEY

Syracuse University

MORGAN, K. PHILLIPS. *Nicht warten—wirken! Amerikas Glaube an Deutschland.* Pp. 292. Munich: Georg Müller, 1931. 3 MK.

It is somewhat questionable whether this grandiose list of positive proposals for the social, political, and economic regeneration of Germany gives an accurate expression of America's faith in Germany. It would seem more appropriate to designate the whole treatise an imaginative and fantastic program for Germany's rehabilitation.

Beginning with a recommendation for a national dictatorship—quickly to be developed into a national, non-hereditary monarchy—the author continues his specific proposals for German recovery, under such captions as: A Moratorium for War Debts and for Interest Payments; Development of Exports; Duties of Employers and Employees; The National Peace-time Army; Thrift; Associations of Youths; Regulation of the Exchange; and last but not least, A Cure for Economic Crises.

The author would treat economic depression as a national emergency, and suggests that the whole country should be mobilized against the common enemy, depression, even as it would be mobilized for military operations. The proposed weapons with which to conquer depressions are taxes and possibly loans!

"The problem is clear. Conditions are bad. The people, the business men, cannot help themselves. Only the Government has the power—only it can and must help. It can help, moreover, only by creating work. For this it needs money. It can obtain money only through taxes or through loans. There are no other means" (p. 168).

The above passage is illustrative of the many illuminating suggestions contained in this diagnosis and prognosis of Germany's ailments.

The author expresses the modest hope in the Preface that the various ideas and plans which he has presented will serve to stimulate bigger and better ones, which will lead to Germany's convalescence and welfare.

KARL SCHOLZ

University of Pennsylvania

CASE, LYNN M. *Franco-Italian Relations, 1860-1865*. Pp. xii, 351. Philadelphia: University of Pennsylvania Press, 1932. \$3.50.

This is the first careful, objective study of the difficult Roman Question which arose from the creation of the Kingdom of Italy. The author has not been able in this volume to follow the story through to a logical end in 1870, but in analyzing the developments which culminated in the Convention of 15 September, 1864, he has contributed largely to a better understanding not only of the problems inherent in the establishment of a united Italy but of the international relations of the period as well. The extent to which the Emperor Napoleon III controlled the destinies of the new state, and the long series of unsatisfactory diplomatic negotiations which followed the untimely death of Count Cavour are major points in the book. The active interest of Great Britain in the settlement of the Question is also revealed; and much evidence is given that the diplomacy of the court of Pope Pius IX was no

less tortuous than that of any of the Great Powers.

The book is based principally on archival materials, some of which have only lately become available for historical study. In a theme of many ramifications, the problem of involved chronology has been handled with skill. One or two chapters are over-long, but the account has been, on the whole, very well and effectively written.

HALFORD L. HOSKINS

Tufts College

KENDALL, PATRICIA. *Come With Me to India!* Pp. x, 466. New York: Charles Scribner's Sons, 1931. \$3.50.

Mrs. Kendall has written a survey of the racial, geographic, religious, and political problems of India from the standpoint of an excursion conductor. The thesis of the book is that the present nationalist agitation is not the stir of a people united by some common danger or compelling ideal, but is rather the revolt of both Hindu and Moslem elements against the influence of Western civilization introduced by Great Britain, which threatens the existence of India's historic culture. Gandhi is described as a mere opportunist with good publicity but wholly impractical ideas, who has widened the gulf between Hindu and Moslem, as well as between Indians and Europeans. Hinduism has rendered India physically and intellectually unfit to maintain a national government in peace, much less in prosperity. The attainment of economic prosperity and political power will be most easily, quickly, and profitably secured for India by her coöperation with the gradually diminishing guardianship of Great Britain.

GEORGE B. CRESSEY

Syracuse University

BECKER, HOWARD. *Systematic Sociology. On the Basis of the *Beziehungslehre* and *Gebildelehre* of Leopold von Wiese*. Pp. xxi, 772. New York: John Wiley & Sons, Inc., 1932. \$6.00.

To construct a bridge between German and American sociology is a laudable enterprise, since the two countries concerned are the most active in the pursuit of sociological studies, and each has a good deal to give the

other in exchange. To this task Professor Becker has devoted himself in his adaptation and amplification of the writings of Wiese. The choice of Wiese is a good one, for though Wiese is less original and less penetrating than Simmel or Scheler or Max Weber, he is easier to read and his approach and method are clearly defined. Further, while he is in the German tradition, being particularly influenced by Simmel, he is in many respects nearer to the characteristic American point of view, and he himself pays more attention to American sociology than perhaps any other German author. In the present volume Professor Becker has successfully undertaken the difficult task of giving an American adaptation of the original, which, while retaining its spirit and generally its mode of expression, has enriched it by glosses, illustrations, and quotations. Many authors do not like this tampering with their *ipsissima verba*, but since Wiese himself approves in this instance, the reader certainly has no reason to complain. The reviewer feels that the adaptation is rather an improvement on the original.

The first part of the work is devoted to the exposition of the author's system in respect to the mode of approach and the method of treatment. Following Simmel, he takes as his subject "interhuman relations" viewed apart from considerations of norms or values. Sociology is thus a science distinguished from the other social sciences by a specific subject matter. Interhuman relations must be thought of on the one hand in terms of social processes and on the other hand in terms of "plurality patterns," distinguishing features in the nexus of relationships created by social processes. From the sociological standpoint the processes themselves are studied according to the degree and the manner in which they are either associative or dissociative. This initial part of the work is particularly worthy of attention. It is free from ambiguity and from the scholasticism which sometimes disfigures discussions of methodology.

There follows an elaborate classification of social processes. Though containing many suggestive comments and displaying insight into the subtlety of "interhuman

relations," this lengthy part is by no means wholly satisfactory. In reading of individuation, uniformation, superordination, stratification, and so on, we feel, as a critic once expressed it, that sociology deals too much with words ending in "-ation." We feel that these processes are treated in too great detachment from the situations in which they arise. It is somewhat like reading a work on physiology which says a lot about alimentation and circulation but hardly mentions the stomach or the blood. We tire of endless processes which seem to operate in a semi-void. And our attitude is not helped by the introduction of quasi-scientific formulæ, such as P-AXS, which for example tells us that every social process (P) is the result of a personal attitude (A) and a situation (S).

In the third part the author (or rather authors, for Professor Becker makes substantive additions to the text) turns from process to structure. Three main types of plurality patterns are distinguished in terms of duration and degree of abstractness. These are called respectively crowds, groups, and abstract collectivities (such as state or church). There are some excellent pieces of genuine sociological analysis in this part, and the attention of American sociologists should be specially directed to the discussion of the nuclear groups named "the pair" and "the triad," for the significance of these numerically small groups (except in the situation of the family) is generally ignored in American works. Here too, Wiese follows the path blazed by Simmel. A suggestive "historical postscript" ends the work.

R. M. MACIVER

Columbia University

EUBANK, EARLE EDWARD. *The Concepts of Sociology*. Pp. xvii, 570. Boston: D. C. Heath & Company, 1932. \$4.80.

A systematic analysis of the fundamental concepts of sociology has not been published in this country during recent years. This need for a well-thought-out system of sociological concepts in an American textbook Professor Eubank supplies, at least partially. The chapters of most modern American works on sociology discuss a variety of topics with very little logical

relation. Sometimes only the binding of the volume unites this series of different topics. Since a well-thought-out logical system and systematic arrangement of the main concepts of a science are indispensable to its adequate presentation, the lack of these in the majority of contemporary books on sociology has seriously detracted from the value of our recent books in the field, however admirable they may otherwise have been. Dr. Eubank's "conceptual" approach to sociology is therefore to be welcomed.

The book first elaborates a logically consistent plan for organizing its material, and then proceeds to survey, analyze, and define the main sociological concepts. Both tasks are performed satisfactorily. The author displays a wide knowledge of the literature of his subject both here and abroad; an ability to master this huge mass of material, and to classify it according to his logical *fundamenta divisionis*. His Bibliography is one of the richest and best selected which has yet been published in the field.

Valuable as the book is, some of its tasks are rather mechanically performed. It does not give evidence that the author has a logical system of his own, internally consistent and justified from the epistemological standpoint. His fundamental categories for organizing his subject matter are like those which a librarian uses in cataloguing a large number of books. Such a classification works for practical purposes; but it is mechanical, and no vital principle is involved.

Similarly, the procedure in dealing with other writers' theories often too much resembles the methods of entomologists making collections of butterflies. First, the living unity of the concepts is killed and individual concepts are separated from the whole; then only are these analyzed and pinned in place. No doubt something is gained through the process, and it may sometimes appear necessary; but much of the essence of the theories evaporates. Their "life and soul" are lost, and they lie in the author's classification boxes cold and dead.

In spite of these defects, the book will be helpful both to advanced students of

sociology and to others who have an interest in social science. They will all find it to be useful in many different ways.

PITIRIM A. SOROKIN

Harvard University

DEGRANGE, MCQUILKIN. *The Curve of Societal Movement: A Study of the Nature of Sociology in the Light of the Positive Politics of Auguste Comte*. Pp. 214. Hanöver, N. H.: The Sociological Press, 1930.

This is an exceedingly careful, scholarly study of a phase of Comte's work that in the past has received much too little attention. Most students know only of the Positive Philosophy; of its sequel, the Positive Polity (which the reviewer thinks a better translation of *politique* than its Politics), they remain in blissful ignorance.

Professor DeGrange shows quite conclusively that profound alterations in Comte's estimate of the place of sociology in the scientific hierarchy are to be found in the Polity, and that if Comte had lived, much of the Philosophy might have been reformulated. Particularly interesting is the delimitation of the domain of sociology: it is separated "once for all from the biological below it and the individual or moral above it." Apparently those who have been invoking Comte as the great prophet of sociological encyclopedism have been deprived of valuable proof texts, and a *rapprochement* between the followers of Comte and those of von Wiese seems possible.

So much for approval; now for a qualification. Emendatory and exegetical studies of this kind are useful, but they do not really further the cause of sociology as a science, because the terminology in which they are necessarily cast is foreign to the thinking of the average contemporary sociologist. Let us hope that Professor DeGrange will soon write a treatise in the current academic vernacular which will insure an effective transference of his new interpretation of Comte. He has given us an earnest of this future treatise in his essay in the volume on *Methods in Social Science*; may we look for still more light?

HOWARD BECKER

Smith College

DUNCAN, HANNIBAL GERALD. *Backgrounds for Sociology*. Pp. xx, 831. Boston: Marshall Jones Company, 1931. \$4.00.

It is well known that there exists no textbook for the introductory course in sociology satisfactory to all or most teachers of that subject. Mr. Duncan has obviously tried to fill the gap and to please everyone. As the author remarks, "No one school or group of sociologists is followed."

The cultural approach is granted one chapter, and social process another; social psychology fares a little better, and social problems get eleven of the thirty-one chapters (students are said to like this); nor is Mr. Duncan's hobby—population—sighted, with five chapters prominently placed. There is everything in the book from Taoism to Tertullian [*sic*], and an impressive index, while each chapter has all the paraphernalia of references, starred and unstarred, and naïve, textbookish questions. Mr. Duncan has read most of the right authors and relies heavily upon them, even upon other textbooks. It is a comprehensive but pedestrian performance. A very good teacher might add interest to it; it is more likely to secure adoption at the hands of those who want a textbook to which they shall not have to make any additions.

WILLIAM REX CRAWFORD

University of Pennsylvania

SEMPLÉ, ELLEN CHURCHILL. *The Geography of the Mediterranean Region: Its Relation to Ancient History*. Pp. viii, 737. New York: Henry Holt and Company, 1931. \$4.00.

By many American social scientists, Ellen Churchill Semplé has long been erroneously regarded as merely the English-speaking factotum of Ratzel, the great German anthropogeographer with whom she studied. True enough, her works on the influences of geographic environment owed a great deal, directly and indirectly, to books by Ratzel on similar subjects, but they were so thoroughly transmuted in the magical alembic of Miss Semplé's extraordinary mind that they became in large measure her own.

But misconceptions are deeply rooted; what force can tear them out? The answer

is easy to give: the force of what is perhaps the greatest study of the Mediterranean region ever written, namely, the book now under review. If superlatives were not available to describe this tremendous exhibit of erudition and acumen, they would have to be invented. By this one work, Ellen Churchill Semplé demonstrates her right to stand on at least an equal footing with Ratzel, Reclus, Philippson, Vidal de LaBlache, Ritter, Cotta, Peschel, Vallaux, and Brunhes. Not only does she take rank with the great human geographers, but also with the great historians of the Mediterranean world. Grote, Beloch, Busolt, Glotz, Bury, Meyer, Burckhardt, Mommsen, Duruy, Ferrero, and a host of other writers would have given their choicest treasures if they could have incorporated in their works the wealth of relevant material and the marvellously suggestive interpretations to be found in *The Geography of the Mediterranean Region*.

Even more powerful than in uprooting misconceptions as to Miss Semplé's status as an anthropogeographer, however, will be the influence of this book in draining the bog now occupied by the cultural anthropologists and sociologists. In their anxiety to escape the fancied abyss of geographic determinism, they plunged into the exceedingly real quagmire of cultural determinism, with results—or rather lack of results—now slowly dawning even on themselves. The reviewer, for one, is heartily disgusted with voluminous disquisitions on Greek and Roman culture that calmly ignore the most obvious geographic influences, in favor of some occult "law" of cultural accretion, evolution, and what not. This book and others like it, let us hope, will bring us out of that dogmatic Slough of Despond in which we will not even admit geographical conditioning of cultural facts.

More and much more might be said about such a truly magnificent work, but space forbids and the reader may think the tone of this review already too enthusiastic. Well, it is enthusiastic, and I freely avow that I am glad of an opportunity to write about a book that merits the utmost praise that can be lavished upon it; here is one case where over-enthusiasm is impossible. And

even though the author, now in her old age, bravely writes "*Nos morituri salutamus*," she may be sure that no matter how much her beloved science advances, no matter how gifted the anthropogeographers of the future may be, her memory will always evoke the trenchant phrase, "*Vixere fortes ante Agamemnona*."

HOWARD BECKER

Smith College

HARTSHORNE, C., and WEISS, P. (Eds.). *Collected Papers of Charles Sanders Peirce*, Vol. I, *Principles of Philosophy*. Pp. xvi, 393. Cambridge: Harvard University Press, 1931. \$5.00.

To many, doubtless, Peirce is known by name, but by name only. William James acknowledged him the father of the method of pragmatism, but Peirce thereupon labeled his own method pragmatism. That finished Peirce for most people.

It is now thought by some that Peirce is America's greatest constructive philosopher. Certainly he was one of the founders of modern mathematical logic, and he made worthy contributions in several scientific fields. His mind was at once that of the laboratory worker and the trained speculative thinker.

Peirce's bid for fame is now being given its chance with the publication of his writings; writings rather than works, for his inability to secure academic position meant, indirectly, unpublished and fragmentary writings of uneven worth. To edit them properly has been no easy task—nor has it been possible to atone fully for the initial lack of unity.

The outlined content of the prospective ten volumes is as follows: Vol. I, outline of his system, covering scientific method, classification of the sciences, doctrine of the categories, and ethics; Vol. II, theory of signs and meaning, traditional logic, induction, and the science of discovery and probability; Vol. III, his published work on logic; Vol. IV, mathematics, logic, and graphs; Vol. V, pragmatism; Vol. VI, metaphysics; Vols. VII–X, physics, psychology, reviews, letters, and biography.

L. M. PAPE

University of Chicago

SCHNEIDER, HERMANN (MARGARET M. GREEN, Translator). *The History of World Civilization*. Vols. I and II. Pp. xvi, 361–362–908. New York: Harcourt Brace & Company, 1931.

In the traditional manner and spirit of the German school of *Kulturhistoriker*, Professor Schneider has attempted to weave discerning threads anew through the story of man's adventure as a whole. Chief stress is laid on the intellectual and artistic achievements and motifs which "grow more perfect, more complex, more diverse and more finished" in the course of the historical developments of peoples, ranging from Neanderthal man to the classic civilizations of the Greeks, the Romans, and the Byzantines. In the ambit of investigation are included also Egyptian, Babylonian, Jewish, Persian, Ancient Indian and Ancient Chinese cultures, especially their manifestations in art, architecture, music, painting, sculpture, literature, learning, and religion. Civilizations are purposely omitted from consideration which "do not outstrip their predecessors because of cultural relapses." The halts, the backslidings, while admitted, are left out of account in the desire to show the progressive evolution of forms of social life. The author has appended extremely interesting and ingenious comparative tables wherein are arranged the chief "feats," first of the prehistoric eras, and then in more detail of the historical culture according to a novel functional arrangement.

Professor Schneider subscribes, generally speaking, to the now popular cyclical theories of history, but also insists upon the continuity of societal products by their transition from one people to another. This type of historical theory, though stimulating, has never held much appeal to American scholars, and contains the familiar faults of those which are painted in these very broad and bold strokes.

NATHAN MILLER

Carnegie Institute of Technology

BLUMENTHAL, ALBERT. *Small Town Stuff*. Pp. xvi, 416. Chicago: University of Chicago Press, 1932. \$4.00.

We are gradually coming to understand America through a series of first-hand

studies like this one, which is particularly well done. It is not so extensive as the Lynds' *Middletown*, mainly because the community under consideration was not so large and perhaps because it was not so well developed culturally. Nevertheless it is well worth while, not only because of the type of town under consideration (it is understood that it is Philipsburg, Montana), but because the author approaches his study as an anthropologist. Inner workings and external appearances alike are described, interpreted, and evaluated. Not the least interesting part is the Introduction of Professor Ernest W. Burgess as one of the editors of the University of Chicago Sociological Series, of which this volume is one.

CLINTON ROGERS WOODRUFF
Philadelphia

TERPENNING, WALTER A. (Introduction by The Right Honorable Sir Horace Plunkett). *Village and Open-Country Neighborhoods*. Pp. xxiv, 493. New York: The Century Company, 1931. \$4.00.

This work summarizes about fifteen years of comparative first-hand study of village organization in a number of the countries of Europe, including Russia, and the American open-country neighborhood. The purpose of the study is to attempt to find if there is any relationship between the form of social organization (nucleated village or open-country) and the social characteristics of the people, and to find if these relationships have any causal significance. Further, "the aim was to discover what characteristics of the village unit had survival or other value and in how far these advantageous characteristics are attainable in American rural life." The author combines the use of objective data with the intuitional case methods of his former teacher, C. H. Cooley.

The conclusions suggest that both forms of social organization seem to have some advantages and disadvantages. However, summarizing the whole study according to the three principles of: "proper relations within themselves, proper relations between themselves in the secondary groups, and of

that adaptability which makes possible orderly, progressive change," the author concludes that the American farm community would be improved if it adopted some plans for securing greater geographic cohesiveness. He believes that there is a causal relationship between relative geographic relationships and certain desired social forms of behavior. "I am persuaded that right relations within the group are, like love, largely a matter of the right kind and amount of propinquity, and that the right kind and amount of propinquity are the more easily attained in a village system" (p. 389).

The good points of this work are to be found in its concreteness, its first-hand contact with life, and its excellent presentation and cohesiveness. On the other hand, as a scientific study, the work loses some of its value because the author does not state his objectives clearly and dogmatically with an outline of the essential data necessary for proof. Furthermore, the author violates the logical method of analysis (in Pareto's sense of the term) by his evaluative judgments.

Finally, a great defect is the apparent absence of references to a mass of other studies which have dealt with this same topic. This topic has probably received more study than any other in the social sciences of agriculture, with the exception of problems concerning land. The author does not build his study upon the foundation established by the others. As a result, the work becomes but one (even though an exceptionally good one) of a large mass of studies, many of which use the same data for opposite conclusions as to the correlation between geographic organization and the resulting social derivatives and as to what *should* be done about it.

CARLE C. ZIMMERMAN
Harvard University

ROSEBAULT, CHARLES J. *When Dana Was the Sun*. Pp. xiv, 294. New York: R. M. McBride & Company, 1931. \$3.75.

When Charles Dana died in 1897, his obituary in *The Sun*, at his own request, consisted of two lines. Fortunately his de-

sire for anonymity has not been respected, and in several biographies the importance of the man has been made increasingly clear. Rosebault, of the *Sun* staff in the days of Dana, has now written a volume which presents a far more balanced picture of the great editor than has previously appeared.

Dana's life has three distinct phases. There were the early days, when under the influence of the Transcendentalists he contributed his part to the Brook Farm experiment, met Horace Greeley, went to the *Tribune* staff, and eventually was dropped. Then came the Civil War years and his association with the War Department, serving as its "eyes at the front." Finally, there was the purchase of the New York *Sun* in 1868, and his years of editorship. All of these Rosebault traces skillfully and weaves together far more successfully than earlier biographers have done.

Important though his services were in the enterprises that occupied his interest before he acquired the *Sun*, it is as an editor that he will and should be remembered. Charles Dana published a paper at a time when commercial journalism had not reached its full development, and when a newspaper could attract readers simply because it was well written. At the same time, he knew how to hold attention and interest. To him goes credit for the phrase "stirring the animals up," and in this gentle art he was a master. Later a new type of journalism was to develop, varying widely from the ideals which dominated the publication of the *Sun*. One suspects that in a later age, the peculiar genius that was Dana would have found no such fertile soil as that which enabled it to flower in the decades following the Civil War. Rosebault's biography again suggests that great editors are products of their time and that the newspaper is not so much the creation of "the great man" as it is an expression of an era through the personality of particular editors. It is such books as this that contribute helpfully to an understanding of the social history of the newspaper in the United States.

MALCOLM M. WILLEY

University of Minnesota

LYNCH, DENIS TILDEN. *Grover Cleveland: a Man Four-Square*. Pp. 581. New York: Horace Liveright, Inc., 1932. \$3.50.

Cleveland deserves something better than a routine biography.

Except for his own terms in office, his entire political career was spent with the Republicans in power; and he contrasted so sharply with the genteel second-raters they selected to lead them, that on this account alone he should be rescued from the general oblivion into which the personalities of the period are sinking.

The Republican Party, after the accident of Lincoln and before the accident of Roosevelt, developed a talent amounting to genius for translating mediocrities into the White House. It followed, therefore, that the important problems of a whole generation invariably overwhelmed the pint-measure mentalities picked out to cope with them; and necessarily their solution was Congressional, or they remained unsolved. From Stevens to Reed and Cannon, from Wade and Sumner to Aldrich, the men who did our national thinking reigned at the Capitol and not the White House. As a result, the country grew so used to policies of that kind of blurry compromise which even the most masterful committees always produce, that it was no longer capable of appreciating such sharp, definite, straightforward government as Cleveland was determined to furnish.

We had become habituated to having our notions about Free Trade diluted by the needs of important producers or Protection diluted by the needs of influential importers. We were taught to vacillate between a gold standard modified by friendly gestures toward the Populist West and greenbackery prepared to acknowledge generously that gold was a swell metal. Any uncompromising effort one way or the other on any controversial question frightened the voter into the opposing camp. And Cleveland therefore failed; failed because a nervous nation took his weapons away as soon as it became certain he intended to use them.

Cleveland fell short because his times were too small-minded to risk major decisions. To paraphrase the most striking remark ever made about him, we love him for the failures he has made.

Such a man deserves a prime biography. But Mr. Lynch's book is noteworthy only for the highly distorted significance which it accords Cleveland's various activities. As a record of his fishing trips, the volume is beyond criticism. As a chronicle of the problems he faced, their basic implications, and his manner of handling them, of the significance of his period and the impress he made upon it—from this angle the study is pretty thin gruel. We get a fuller portrait of his drinking companions than of his Cabinets. We know more about his beer-hall ditties than his public speeches. In language, I am quite sure the trivia of his career bulk more than respectably beside currency, tariff reform, and foreign relations, all of which he handled with a vigor and decisiveness quite exceptional among the executives of his era.

The biography of Cleveland as a major public figure still remains to be written. MacElroy produced a sapless inconsequence. Lynch has produced a compendium of entertaining but unimportant anecdotes.

ALPHONSE B. MILLER

Philadelphia

INTERNATIONAL CITY MANAGERS ASSOCIATION. *The 1932 City Manager Year Book*. Chicago. \$2.00.

This is an increasingly valuable annual, reviewing the progress and development of the City Manager Movement. It includes a review of the year 1931 with a résumé for the last ten years; an official directory of city managers including for each city the date of adoption of plan, the number of managers each city has had, and the name and date of appointment of each manager; the papers and discussion of the Eighteenth Annual Conference of The International City Managers Association; and a complete membership roster of the Association. Among the subjects considered in the papers are such practical topics as "Conditions Under Which a City Manager Should Resign"; "Should City Managers Defend Themselves Against Attacks in Political Campaigns?"; "What Matters Should Be Definitely Agreed Upon Between Manager and Council Before Appointment?" and "Is

an Indefinite Term Preferable to a Contract Appointment?"

CLINTON ROGERS WOODRUFF
Philadelphia

CLARK, JANE PERRY. *Deportation of Aliens from the United States to Europe*. Pp. 524. New York: Columbia University Press, 1931. \$5.00.

A nation may well be judged in part by the manner in which it treats the alien within its gates. The ordinary alien has no social cohesion or political power, is not conversant with laws and language, belongs to the lowest economic stratum, and usually is beyond the reach of the protecting arm of his parent government. The alien, therefore, is legally and socially unprotected, and for that reason it is necessary that those who deal with him shall be constantly watched lest they abuse their power.

In the United States the problem of deportation has increased in importance in recent years. Under the pressure of post-war hysteria, economic depressions, and crime waves, the number of aliens deported yearly from the United States has been steadily rising (from 2,762 in 1920 to 18,142 in 1931); and it is stated that "the task of housecleaning has practically only just begun." For these reasons the deportation law and practices have been subjected to increasing scrutiny, and called for investigation by the Wickersham Commission.

Dr. Clark's book makes a substantial contribution to the understanding of the whole matter. It traces the development of deportation laws from the English and colonial origins to the present; examines the laws now in operation; presents abstracts of some of the 612 official records the author has reviewed; and analyzes the various provisions and the working of the laws. The book shows, as other studies have shown, that the alien's rights are often violated; the law to which he is subjected is intricate, inconsistent, and in places absurd; the procedure is unsound, in that the immigration officer is at once policeman, interpreter, lawyer, and judge; the alien has virtually no right of counsel, and on occasions is sent into the very jaws of death.

Dr. Clark suggests several changes. The

"moral turpitude" clause of the law should perhaps be deleted; a definite time limit should be set within which an alien may be deported; the deportation of children alone and unaccompanied should be abolished; reentry of worthy deported aliens should be permitted; the Secretary of Labor should have somewhat larger discretionary powers; a higher body of review should be provided; the proceedings should be public; and consideration should be given to the international aspects of the entire problem.

To be complete, the book should have discussed the cost to the citizens of the United States of the entire deportation system, the practices of other countries, the type of personnel now engaged or that which should be engaged in deportation work, and the outcome of deported aliens, particularly that of women and children. Perhaps too much space is devoted to the presentation of the actual cases. However, the book is so thorough, balanced, and sane, that it will surely commend itself to students, thinking laymen, and perhaps also to administrators in charge of the deportation system.

CONSTANTINE PANUNZIO

University of California

BUTLER, NICHOLAS M. *Looking Forward*. Pp. xiv, 418. New York: Charles Scribner's Sons, 1932. \$3.00.

On the campus of Butler's university "there stand side by side—and nowhere else in America—statues of Hamilton and Jefferson." Similarly, in Butler's mind there stand side by side without opposition—and nowhere else, possibly, in America—what these men stood for. Where others see antithesis, he sees the basis for America's salvation. Hamilton's work has been well done; the well-doing of Jefferson's is the present essential task. Thanks to the former, we have a strong government; but unless we enhance our sense of personal liberty and social justice, we are doomed to communism or fascism.

Without question, Butler is wrought up. Democracy is menaced, and he loves it. Showing the dangers of the present situation, he cries "What will the American people do about it?" But it must be said that the volume is mainly this, viz., a loud

call to action. Talks, even thirty-one of them, do not constitute a reasoned treatise.

L. M. PAPE

University of Chicago

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The Liquor Traffic before the Eighteenth Amendment¹

By ERNEST A. GRANT

REGULATION of the alcoholic liquor traffic in the United States has passed through at least eight stages. Chronologically, one stage overlapped another in different sections of the country as public opinion varied and developed. These stages may be divided into: (1) restriction of individual consumption; (2) local, state, and Federal license embodying taxation and import duties; (3) local option; (4) governmental monopoly, under which phase were developed both state and local dispensary systems; (5) legislation prohibiting strong liquors; (6) state prohibition; (7) regulation by the Federal Government under the commerce clause of the Constitution; and (8) national prohibition. In addition to these, there were Federal regulatory measures, restricting the manufacture of intoxicating beverages, during each of the major wars in which the United States was engaged; but these were primarily enacted to meet a sudden emergency.

COLONIAL LEGISLATION

Restriction of individual consumption by legislative fiat and license antedates the Revolution. Large numbers of the earliest settlers in America appear to have been hard drinkers. Colonial records are replete with action taken by the various legislatures prohibiting the sale of "strong waters" to habitual drunkards, providing for the punishment of drunkards, and prohibiting sale to Indians. In that day,

alcoholic beverages were considered necessary to human welfare. Consequently, regulation of the traffic, from a social point of view, extended only to excessive use.

In at least two colonies, Georgia and Virginia, efforts were made to change the drinking habits of the people. In 1735 the importation of "ardent spirits" was prohibited in Georgia and the drinking of beer was encouraged. Efforts to prevent rumrunning and smuggling through the many coves along the coast were futile; convictions by juries were few, and the regulation of the traffic proved a failure. Governor Oglethorpe encouraged the drinking of beer as a substitute, and settlers were given materials with which to make beer. About 1760 the Virginia legislature purchased land near Williamsburg, Virginia, with a view to develop the wine-grape industry as a substitute for hard liquors. Whether this experiment was inherently a failure or whether more pressing attention was given to the coming revolution cannot be authentically stated. At any rate, the legislature considered the experiment a failure and conveyed the land to William and Mary College. It is to this day known as "The Vineyard."

Colonial legislatures early discovered the revenue possibilities through license, and passed legislation to that effect. These early licenses, however, do not seem to have been placed so much to restrict consumption as to increase the colonial revenue.

Under the Articles of Confederation, the Continental Congress did not have authority to legislate. That it did

¹ This paper is not an official document of the Bureau of Prohibition, and any opinions expressed are the author's personal views.

recognize the necessity of regulation is attested by the resolution adopted on February 27, 1777 to the effect

that it be recommended to the several legislatures of the United States immediately to pass laws most effectual by putting an immediate stop to the pernicious practice of distilling grain, by this the most extensive evils are likely to be derived, if not quickly prevented.

POST-COLONIAL LEGISLATION

The only Federal regulation of the traffic in intoxicating liquors in the early days of the Republic's history was directed towards raising a revenue. The first tariff bill, enacted by the American Congress in 1789, provided for a tax on importations of rum and distilled liquors. A tax was also placed upon the manufacture of distilled liquors in 1790. Resistance to the collection of such a tax brought about the "Whisky Rebellion" in western Pennsylvania in 1793. It was necessary to call out the militia to restore order, but Washington exhibited such a stern demeanor toward this rebellion against Federal authority that it seems to have been effective in aiding law enforcement for several decades. With the exception of a small manufacturer's tax on distilled liquors, all other regulatory measures were left entirely in the hands of state and municipal authorities.

So far as Federal legislative policy is concerned, it was not until the Civil War that the Government turned to liquor as a major source of internal revenue. Lincoln was guiding the destinies of America, and the Federal Government required revenue to prosecute the war. Prior to this time a tax had been levied only on ardent spirits by the Federal Government; but the Internal Revenue Act of 1862, which was further strengthened in 1866, not only taxed the manufacture of distilled

liquors twenty cents a gallon, but also levied a Federal license fee of twenty dollars per annum for retailing liquor, and taxed the manufacture of malt liquors one dollar per barrel.

The Internal Revenue Bureau was charged with the enforcement of this law. From the outset, there was difficulty in its enforcement. The manufacturers of alcoholic beverages and the retail distributors were taxed. In opposition to this tax, the American Brewers Association was organized.

The decade following the Civil War witnessed a growth of corruption referred to as the "Whisky Ring," which became a national scandal. With a view of evading the excise tax and license fees placed upon intoxicating beverages, distilleries in various parts of the country conspired with Federal officials to defraud the Government of revenue and secure protection by public officials through large contributions to political campaign funds. The moneys were to be raised by the saving of taxes to distilleries by illegally withdrawing spirits from bonded warehouses, tax free. The verdict of history appears to be that President Grant was ill-advised and did not know the full details of the conspiracy. In a subsequent Congressional investigation, it was established that millions of gallons of whisky were fraudulently withdrawn, and at least a part of the savings were placed in a fund used for political purposes.

A confidential agent of the Treasury Department who investigated the Whisky Ring and who prepared evidence that led to the indictment of its leaders, writes about the illegal operations of the Ring in his book *Secrets of the Internal Revenue Service* in language that sounds familiar to newspaper readers of today. Referring to these wholesale violations of the excise laws, he says:

The depravity, malpractice, stratagems and audacity of these public robbers have astounded and alarmed the country. They have openly defied the laws; they have perpetrated deeds of violence and even resorted to murder and assassination to carry out their nefarious plans. They have bribed and corrupted government officials and formed widespread and powerful combinations to evade the law, circumvent the authorities and amass wealth by fraud, chicanery, intimidation and bloodshed.

LOCAL AND STATE REGULATORY MEASURES

Unlike the Federal Government, local communities and states early undertook licensing to regulate the liquor traffic with a view to mitigating its evils. Saloons were forbidden in the neighborhood of schools, colleges, and churches; applicants were required to receive indorsement of reputable citizens and undergo character examination; licenses were limited for retailing alcoholic beverages to given units of population; restrictions were placed upon the credit which might be extended by retailers; hours of sale were limited. Some laws forbade the use of screens in the windows and on doors of saloons. Under other license laws it was also required that liquor be sold in sealed packages, which could not be opened on the premises.

As early as 1799, at the first session of the Mississippi Territorial Legislature, a law was enacted to the effect that no person should retail or sell rum, brandy, or other spirits in less quantity than two quarts, or beer, ale, or cider in less quantity than five gallons, delivered to one person. In 1839 the Mississippi State Legislature repealed the laws then in effect and adopted the famous "Gallon Law," under the terms of which the smallest quantity of distilled liquor to be retailed was one gallon. In fact, every

possible safeguard was conceived in one form or another to insure strict regulation and reduced consumption.

In the early days of the Republic, and even as late as 1840, it was customary for grocery stores to sell alcoholic liquor. The imposition of high licenses and restrictions placed by some legislatures, notably in Illinois, in 1840 severed this alliance of grocery stores with the retail liquor traffic and required that alcoholic beverages be sold only in places devoted solely to the sale of intoxicants. Here was the real beginning of the saloon as a separate institution, an institution that was destined to poison almost every avenue of American progress during the next generation.

In addition to restrictions placed upon sale, licensing of places of sale particularly was increased to as much as five hundred dollars to one thousand dollars annually, the theory being that under high license few persons would engage in the business, thus reducing the number of saloons; that it would crush out disreputable places of sale; that it would induce men of high integrity to engage in the business; that it would increase the price of liquor to the consumer, thereby decreasing consumption; and that it would assist regulation by compelling the retailer to have sufficient investment in the business to enlist his support in obeying the law.

At the outset, high license seemed to be successful; but as time passed, violations of its regulatory provisions increased. Liquor was sold to minors, it was sold out of hours, and it was sold on Sundays. Speak-easies sprang up and flourished in almost every city of the Union. It seems that the only saloons that were forced out of business were those that endeavored to obey the law. The brewers themselves owned or controlled the retail places of dis-

tribution. Indeed, it has been charged that when national prohibition was under consideration 80 per cent of the saloons in the United States were either owned or controlled by brewery interests.

But perhaps one of the strongest influences against satisfactory regulation of the liquor traffic was the use of saloons by petty politicians as a base for their operations. This brought local protection. Protection brought graft to the policeman upon the beat, to the captain of the precinct, to the city aldermen, and to local politicians. When the saloon was thus protected, it became the ideal place for the gathering of criminals and for the concoction of all manner of crime from simple assault to kidnaping, rape, and murder. This corrupt protection of the saloon also invited the harlot to establish her brothel in the back room or upstairs. The white slave traffic has always been helped by the breakdown of regulation of the liquor traffic. Police department records of scores of American cities and the newspapers' headlines of yesteryear are readily available to any person who desires to know the facts of that breakdown of regulation.

From 1826 to 1835 the moral suasion movement against the personal use of intoxicating beverages, particularly ardent spirits, while not technically regulatory, had the effect of reducing the number of grogshops and saloons. In the State of New York alone, the number of saloons was reduced over 50 per cent within a period of five years.

LOCAL OPTION

In the last analysis, local option is merely a form of prohibition of the alcoholic liquor traffic directed by local government. The idea was born in the breakdown of regulation by license, although some of its roots undoubtedly extend into the moral suasion cam-

paign of the third and fourth decades of the nineteenth century. From that time until 1913 an increasingly large number of counties and municipalities in the United States voted in favor of local option.

As early as 1900, thirty-seven states had enacted local option laws of one form or another. These occurred in two forms, namely, compulsory local option and voluntary local option. Compulsory local option was that type of legislation by the state which required communities in the state—either counties, municipalities, or smaller political divisions—periodically to vote on the question of license or no license. Voluntary local option was that type which could be voted upon at any time when certain conditions were met, such as the presentation of a signed petition by a given number of voters requesting that a ballot be conducted as to whether or not licensing of the liquor traffic should be permitted.

This form of regulation was inadequate. Small communities which prohibited the sale of intoxicating liquors were found side by side with other communities favoring their sale. It was impossible for county and municipal officers to prevent bootlegging of intoxicating liquors in territory adjoining that which permitted license. Whether or not local option can be considered a failure from the viewpoint of today, it is certain that the population of the majority of communities through the last half of the nineteenth century and the first two decades of the twentieth century believed it to be a failure.

STATE PROHIBITION

State prohibition received its first impetus in the New England States and the Atlantic Seaboard. This development was the political expression of the moral suasion movement. Li-

cense as a regulatory measure was not curbing the traffic. Violation and corruption of public officials were growing. To meet this situation, state after state enacted prohibitory laws. Maine adopted the first laws in 1847. Experimental in character and weak in its provisions, it was soon found necessary to strengthen the law, and this was done in 1851. From that time to the present, with the exception of the two years of 1856 to 1858, the Maine law has stood upon the statute books fundamentally without change. Largely for social reasons, state-wide prohibition laws were enacted in not less than thirteen states during the next decade. Most of these laws were modeled after that enacted in Maine. By 1863, however, in all but five of these states either the law had been repealed or it had been invalidated by State Supreme Court decisions.

The reason for repeal was the apparent failure of state laws to prohibit. Connecticut, for example, passed such a law in 1855, which was signed by Governor Dutten. A few years later it was repealed. Mr. Dutten, who was then a professor of law at Yale University, publicly stated that the breakdown of state prohibition was not caused so much by "rum sellers" as by "temperance men themselves"; for, he charged, "the execution of the law was allowed to go right into the hands of men who did not care a straw for the law, and who made use of it for the purpose of making money. They were perfectly willing to have the law executed in such a way that it would become odious." He charged that state attorneys and other enforcement officers were opposed to the law and that "many of them preferred that the law should prove a failure." Governor Dutten further charged that the methods used were that "these officers . . . allowed our docket to be full of cases."

It now appears that these original state enactments were weak and lacked whole-hearted support on the part of a large proportion of the population, which made enforcement exceedingly difficult. The inevitable result was the return to state and municipal license. Then violation was at least not so apparent to the general public.

Some state prohibition laws prohibited the use of intoxicating liquors for beverage purposes, while others prohibited their use for both beverage and medicinal purposes (today twenty-two states prohibit the medicinal use of whisky); other states permitted limited importation by mail.

Maine has had state prohibition since 1851; Kansas since 1880. Until 1907, no other state, with the exception of North Dakota, which became dry in 1889, permanently joined the state prohibition ranks; but in August of that year Georgia enacted a law placing it under state-wide prohibition effective January 1, 1908. Oklahoma, when it was admitted to the Union on November 17, 1907, contained a constitutional provision placing it under state-wide prohibition. Mississippi and Tennessee joined the state prohibition ranks in 1908 and 1909, respectively. In 1914, West Virginia followed their example. This was the beginning of prohibitory legislation which swept through many states and which added ten to the prohibition ranks during the next two years.

Some states enacted legislation prohibiting the sale of hard liquors but permitting the sale of mild liquors such as beer or wine, as a means of promoting temperance. Legislation of this nature was enacted in Iowa in 1858, in Massachusetts in 1870, in Georgia in 1907, and in North Carolina in 1909. The territorial legislature of Hawaii also enacted this type of legislation. The unsatisfactory character of this

experiment is shown by the fact that in every instance where tried, the state either went back to license or forward to some more complete prohibition.

FEDERAL REGULATION OF LIQUOR IN INTERSTATE COMMERCE

The right of the states to prohibit the sale of liquor was subject to the paramount power of Congress to regulate interstate and foreign commerce. As early as 1827 the Supreme Court held unconstitutional a state law imposing a license tax on an importer of liquor within the state as constituting a burden upon foreign commerce.

In 1847 in the license cases, however, the court upheld state legislation prohibiting a liquor dealer from selling liquor without a license, although the dealer was an importer who sold liquor in the original barrel brought into the state in interstate commerce, and there established the principle of law that where Congress had not enacted laws with respect to a commodity in interstate commerce, state laws could apply. This rule was followed for about forty-three years. In 1890, however, in the *Original Package Case*, the Supreme Court in effect reversed its former ruling and held that a state could not prohibit a liquor dealer from importing liquor in interstate commerce for resale in original packages. This largely nullified state attempts at prohibition. Liquor dealers opened warehouses in dry states from which they sold liquor in original packages shipped in interstate commerce.

Congress promptly passed the Wilson Act (1890), seeking to make liquor upon arrival within dry states subject to state laws. The Supreme Court construed the word "arrival" to mean that state laws attached only when the shipment arrived at its destination upon delivery to the consignee. This permitted citizens living in dry states

to import liquors in interstate commerce for personal use without hindrance. Through the employment of traveling salesmen, advertising, and other forms of solicitation, the liquor interests thwarted the prohibition policy of the states. They accepted orders for liquor and shipped them into dry states *c. o. d.* Express and freight agents became, in practical effect, agents of the liquor dealers.

So grave became the abuses that in 1909 sections were added to the Federal Penal Code making it unlawful for a carrier to accept *c. o. d.* liquor shipments, knowingly to deliver liquors to fictitious consignees, or to transport liquor in interstate commerce unless labeled to show its contents.

The purpose of the Wilson Act having been defeated by judicial construction, Congress in 1913 enacted the Webb-Kenyon Act, which removed the interstate commerce protection from intoxicating liquors when shipped into a dry state in violation of state laws. This carried no penalty which could be enforced in the Federal courts and it did not prohibit the shipment of liquors through dry states to wet states. Liquor dealers adopted the device of diverting liquors in dry states, billed as through shipments. As the Federal Government was interested principally in the collection of liquor taxes and had slight concern with state prohibition, maintaining no agency directly charged with suppression of such practices, the burden of policing diverted liquor devolved almost entirely upon the dry states. The wet states, which licensed the traffic, were under no obligation and made no effort to confine the liquors sold to their own territory.

Later, in 1917, by the Reed Amendment, it was made unlawful for any person to order, purchase, transport, or cause intoxicating liquor to be transported in interstate commerce except

for medicinal, mechanical, scientific, and sacramental purposes. By this act Congress withdrew the right of a citizen living in a dry state to have liquors shipped to him in interstate commerce for beverage purposes. It also prohibited the use of the mails for circulating liquor advertisements, and provided a penalty for its violation which could be enforced in the Federal courts. This for the first time allowed states desiring it, to become legally bone dry. It was in effect only a short time before the first of the war-time prohibition restrictions became operative.

GOVERNMENT SALE BY STATE AND LOCAL DISPENSARIES

In the South there developed an intermediate step between license and state-wide prohibition—government sale in two forms: local dispensaries and state dispensaries. In 1890, the Georgia Legislature authorized the college town of Athens to establish a municipal liquor dispensary. This law was patterned after the Gothenburg or Swedish plan, inaugurated in 1865. The idea of the local dispensary spread, and between 1890 and 1915 local dispensaries were operated by many counties and towns in Georgia, Alabama, North Carolina, South Carolina, and Virginia. They were created either by special acts of the legislature or by general acts, which enabled communities desiring to operate a dispensary to do so after a majority vote.

In South Carolina, in 1892, following a State election in which a majority had voted for state-wide prohibition, the newly elected governor, Benjamin F. Tillman, effected the establishment of a State dispensary system as a temperance and a revenue measure. The law became effective July 1, 1893. A State board of control was created with entire power to administer the law.

The State dispensary commissioner, at first appointed by the governor and later by the board of control, was made chief administrative officer. The law provided that he should not only be of good moral character but "an abstainer from intoxicants."

Manufacture of liquor within the State was prohibited. All purchases made upon State credit were to be in bulk, shipped to the State dispensary at the capital, and there bottled and sealed in half-pint to five-gallon packages. From there it was to be shipped to the county or city retail dispensaries. Profits from the State dispensaries were to go to the State treasury and be used largely for public education. The profits are reported to have amounted to about five hundred thousand dollars annually, or approximately one third of the total revenue raised by the State.

The retail dispensaries were operated under the county board of control of three members, whose appointment and acts were subject to review by the State board of control. Stringent provisions were adopted limiting hours of sale, and liquor was permitted to be sold only in sealed packages not to be broken on the premises. All requests for liquor were to be in writing, signed by the purchaser. Sale was prohibited to intoxicated persons or those known to be of intemperate habits. All applications for liquor were to be forwarded to the State board of control monthly, and that board was to make a quarterly accounting of sales through each county dispensary. The profit from the retail sale of liquor was to be equally divided between the county and the municipality.

RESULTS OF THE DISPENSARY METHOD

Theoretically, this method of regulation was perfect. At the outset, the new law was supported by both prohi-

bitionists and anti-prohibitionists. In 1892, before the law became effective, there were 613 licensed saloons in the State, while the total number of dispensaries at any given time never exceeded 146. Whether or not this meant an actual decrease in the consumption of alcoholic beverages, however, is doubtful. Its beginning was so auspicious probably because of its novelty, that it did break up the nesting places of degradation, crime, and political corruption.

Gradually, because of the restricted hours of sale, the regulated high price of liquor, the inhibition placed upon the sale to drunkards and intemperate persons, and other restrictions, "blind tigers," speak-easies, social clubs, and bootleggers began to flourish. Enforcement officers were called "spies"; corruption spread throughout the entire State governmental system.

Honorable John Gary Evans, Lieutenant Governor when this law was enacted, stated "that the corruption of the old board, by the liquor interests, made the people repudiate the law"; and the statement of Governor Tillman that the "dispensary was a stepping-stone to prohibition" proved to be true.

Other persons living in the State during this period have testified to the fact that purchasing agents for the State received bounties and rebates from agents of the distilleries; and that men of broken fortune and doubtful reputation, who were shrewd, resourceful, and popular with the drinking classes, sought positions on the managing boards, got them, and became wealthy citizens. Local dispensaries ignored the provisions of the law requiring written applications, and generally followed their own inclination concerning sale. While the law required chemical analysis of all liquors purchased by the State, either this was discontinued or reports were falsified.

An investigating committee of the

legislature, which was appointed in 1906 to investigate the entire system, reported that officials of the dispensaries "have become shameless in their abuse of power, insatiate in their greed, and perfidious in the discharge of their duties." High officials of the State government were convicted of conspiracy against the State. Human weakness had succumbed to the temptation built up by government control, and the theoretically perfect system had failed.

While the state-wide system was abolished in 1907, a few counties continued the plan until the climax came in 1915 when state-wide prohibition was adopted.

ENTER—"UNCLE SAM"

Notwithstanding the increasingly restrictive regulatory and prohibitive measures enacted throughout the country, bringing more of the people under one form or other of prohibitory laws, the strongly organized and intrenched liquor interests continued to build up a thirst for intoxicating beverages through every means at their disposal. Per capita consumption of alcoholic liquor increased steadily until 1914. Regulatory restrictions, local option, government control, and high license did not stop the increasing flood.

With the majority of the European population engaged in the prosecution of a war and millions of Americans engaged likewise, the grain situation in America became acute; and, as the people had done in other major wars (during the Revolution by resolution of the Continental Congress, and in legislation enacted by the Confederate States during the Civil War) they urged upon Congress the adoption of a war-time prohibition policy.

As a conservation measure which was undoubtedly overstressed by the proponents of national prohibition, the

Federal Congress enacted the so-called War-time Prohibition Act. This law was advocated not only as a food conservation measure but also as a conservation measure for transportation, fuel, and labor. It forbade the manufacture and the importation of distilled liquors for beverage purposes, and authorized the President at his discretion to reduce the alcoholic content of beer and wine, and to limit, regulate, and prohibit the use of food materials in the manufacture of beer and wine. It was intended to be a temporary measure and to continue in force only until peace had been declared and the military forces of the United States had been demobilized. Before this date, however, the Eighteenth Amendment was not only submitted but ratified by the states.

It is unquestionably true that the submission of this amendment to the

Constitution was hastened by the agitation throughout the entire country for war-time prohibitory measures. This is the basis for the assertion made by the opponents of the national prohibition policy that it was "put over." The historian must face the fact, however, that when the Eighteenth Amendment became operative, thirty-three states had already adopted state prohibition, and in a large percentage of the remaining territory the sale of liquor was prohibited by local option legislation or the refusal of courts to grant licenses contrary to the sentiment of the community. The wave of prohibition sentiment which swept the United States between 1913 and 1920 was the inevitable result of a century of flagrant violation of the regulatory laws and a generation of educational effort concerning the evils of alcoholic beverage consumption.

Mr. Ernest A. Grant has been engaged for the last ten years on economic and sociological research, primarily as it relates to the prohibition policy. For the last two years he has been connected with the research work of the Bureau of Prohibition in the Department of Justice. Mr. Grant also served formerly as secretary to Congressman Wallace H. White, Jr., now Senator from Maine, and as research secretary to the late Senator Theodore E. Burton, of Ohio.

The Enforcement of National Prohibition

By ALBERT E. SAWYER

THE interest which society takes in the conduct of the individual is proportionate to the power of the individual to influence the health and happiness of others. The more the individual utilizes mechanical power in the form of automobiles, airplanes, railroads, and industrial machines, the more he is able to affect the welfare of other people; this in turn gives rise to a corresponding increase in the degree of public interest in his behavior. The effort to control the use of liquor is but one important evidence of this interest. Intoxicating liquors may be used to affect the individual's control of the mechanical devices at his command, and this creates the social necessity for some form of control over the manufacture and the distribution of intoxicants. Society must first determine how much control is essential to meet its minimum requirements, and then select the method by which to accomplish its purpose.

There are those who contend that nothing short of complete prohibition is adequate, while on the other hand there is a very substantial group of persons who place their faith in the simple and easily enforced control which results from a policy of taxation of intoxicants and a licensing of the agencies of their distribution. The scope of this article does not lead us into the intricacies of social engineering applicable to the determination of the minimum degree of control essential to the well-being of society. Our interest is limited to an analysis of the factors which influence the effective execution of a policy already determined.

Nearly thirteen years ago the United

States Government embarked upon a policy with regard to the beverage use of intoxicants, defining the social necessity to require a policy of national prohibition of the manufacture, sale, and transportation of intoxicating liquors. For thirteen years this policy has persisted, with but slight evidence of attaining that degree of effectiveness generally recognized as warranting its continuance. The charge of unenforceability is therefore in order and should be sustained unless it is possible to show precisely what is meant by those who feel that there has as yet been no true test of enforceability. This requires a careful analysis of the problem on the assumption that the original determination in 1919 as to the social necessity of a national prohibition policy is accepted. For the purpose of this discussion it is so accepted, and the question confined to whether or not the machinery essential to the enforcement of this policy is ever likely to produce results that are consistent with the minimum requirements of this policy.

This involves a consideration of the organization and the management of the Federal agencies charged with enforcement responsibilities, their relationship one to another, and their joint relationship to local and state governments.

I. ORGANIZATION PROBLEMS

The enforcement of the Eighteenth Amendment has brought out clearly a fundamental weakness in the Federal law enforcement organization. In addition to its prohibition activities, the Federal Government has many enforcement responsibilities imposed by

revenue laws, the Mann Act, Interstate Auto Theft Act, drug and counterfeiting laws, and others. Hardly a year passes without the addition of some new Federal police power. To carry out this work there are nearly ten thousand Federal enforcement and investigative officers. These men are working in more than a dozen independent groups scattered through the several executive departments. Each group has its own special laws to enforce, its own Washington headquarters and territorial subdivisions. Each group has also its own history, tradition, and standards, and proceeds to perform its duties on an independent basis. Furthermore, each group specializes in its own problems and strives to reach perfection in its own sphere, giving but little thought to the larger problems of national law enforcement.

Until recent years this arrangement of the Federal enforcement agencies has not met with serious difficulty; but with the steady enlargement of Federal police jurisdiction, culminating in the Eighteenth Amendment, has come the necessity for concerted effort on the part of a number of these heretofore entirely independent groups in the enforcement of a single law. It is but natural that the intense individualism developed by years of independent action should cause friction between groups working together under these new conditions which afford a basis for direct comparisons of their efforts and show distinctly the difference in technique and standards.¹

COÖRDINATION OF GOVERNMENT AGENCIES

The National Prohibition Act added to the work of existing bureaus besides creating work for a new organization. Liquor smuggling has existed for years

in violation of the revenue laws, and the time-honored moonshiner and "blind tiger" have sought to increase profits by evading license fees and taxes. Customs Bureau, Coast Guard, and Internal Revenue agents have, over a long period, had dealings with the illegal liquor traffic, but each in enforcing a distinct set of laws applicable in most cases to distinct groups of offenders. With the advent of prohibition these interests assumed new proportions and made it necessary to unite undertakings which up to that time had been quite separate. The three Government services—Customs, Coast Guard, and Prohibition—now found themselves very largely concerned with the same violators. Effective enforcement requires these services to subdue their consciousness of separate traditions, and operate side by side with the one general purpose of controlling the liquor traffic.

A century of experience has knitted the Coast Guard and the Customs Bureau closely together. They have understood each other's technique, and coöperation has meant to them chiefly the adjustment of marginal jurisdictions. Each has attended to its own part of the job, and local representatives at the ports gradually have adjusted among themselves the limits of these jobs; but the Eighteenth Amendment made this simple method inadequate. Not only did it create a third organization, the Bureau of Prohibition, with an overlapping sphere, but the tremendous increase of smuggling activities in violation of the new laws taxed the older units beyond the point where either of them had the opportunity to volunteer help to the other.

THE DISTRICT ATTORNEY'S PART IN ENFORCEMENT

Effective enforcement is not alone dependent upon the smooth operation

¹ Willoughby, W. F., *Principles of Judicial Administration*, 1929, p. 162.

of the investigative machinery of the Federal Government. The case of the Government against the violator must be presented to the courts. The office of the United States District Attorney plays a most important part in the Federal enforcement machinery.

The results of the investigative work of the prohibition agents go through their deputies and legal advisers to the United States District Attorney of the judicial district in which the violation takes place. From the agents' case reports, the district attorney prepares the Federal criminal proceedings against the violators of the National Prohibition Act and revenue laws. The attorney appears before the United States commissioners to show cause why prisoners arrested by the agents of the various Federal services should be held to the District Court, examines the Government witnesses before the grand jury, conducts the prosecution of the cases as they come to trial, and at the request of the court suggests the degree of punishment desired in the event of conviction. It is the United States District Attorney, therefore, who brings the enforcement work of the Federal Government to a focus. The total results of the Federal criminal enforcement work pass through his office; the judge and the jury can perform their functions only upon the facts and the argument selected, arranged, and developed by the District Attorney.

To carry out the work of his office, the District Attorney recommends to the Attorney General the appointment of his permanent assistants. The Attorney General, moreover, has at his disposal a number of special assistant attorneys general on whom the District Attorney may call for help in emergencies. These men are usually specialists in various phases of Federal practice; approximately ten of them are concerned with prohibition work.

INDEPENDENT WORK OF THE DISTRICT ATTORNEY

The Brookings Institution publication cited below² brings out very clearly the important fact that while the United States District Attorney is the local representative of the Department of Justice in one Federal judicial district, he is essentially an independent agent, free from any very close supervision by the Attorney General or his staff. To a very large extent the District Attorney establishes his own general policies, and there is very little attempt on the part of headquarters to dictate the general conduct of his affairs any further than is absolutely necessary.

This independence is justified, in a large measure, by the wide variations in the problems presented to a District Attorney. In many districts the defense and the prosecution of civil claims for or against the United States Government bulk very large, while in other districts the criminal side of the Federal court calendar forms by far the more important part of the work. Local conditions have much to do with the number of places within the district in which court is held, and the frequency and duration of terms of court. In some districts, therefore, the District Attorney is kept moving rather frequently from one Federal court to another within the district, whereas others preform the bulk of their work in one location. In some districts the terms of court are so arranged as to confront the attorney with an almost continuous court calendar, while in other districts the intervals between sessions of court are of considerable duration.

The prosecution of a criminal case is

² Langeluttig, Albert, "The Department of Justice of the United States, 1927," Brookings Institution Service Monograph.

far from being a mechanical matter; it calls upon all the mental resources of the prosecutor. He must have the respect for law which engenders an involuntary impulse to enforce obedience; for it always will be hard for him to subordinate his private feelings, and impossible for him to put forth all his abilities when these feelings are in conflict with his duties. The opportunities of a district attorney to affect the outcome of criminal cases is so great that the assumption and exercise of that responsibility without sympathy with the law to be enforced becomes a dangerous and doubtful public service.

DISTRICT ATTORNEY SETS THE STANDARD OF ENFORCEMENT

A mere catalogue of the duties of the United States District Attorney gives a very inadequate idea of his importance in the execution of Federal criminal law. The fact that not only prohibition cases, but the entire product of the investigative agencies, including narcotics, smuggling, tax evasion, auto theft, and Mann Act and anti-trust prosecutions, must pass through his office in order to reach the court, coupled with his freedom from direct supervision, leaves him almost a free hand to conduct the criminal work of his office in accordance with his own ideas. He must of necessity be free to choose the form in which his cases are presented to the court, and determine the vigor with which they are presented.

The technique of the District Attorney is one of the chief controlling factors in the speed with which cases are put through the courts. The great degree to which the Federal Government relies upon the District Attorney to set the standard and the pace in the prosecution of its criminal business is quite apparent.

The District Attorney's office, there-

fore, is like a funnel through which all the energies of the various Federal investigative agencies must pour in order to become effective in the courts.

His office, however, is much more than a funnel. By controlling the form of presentation of each case and setting the standard of thoroughness with which it is prosecuted, his office becomes the mold in which the cases worked up by the investigative agencies are shaped for their final determination by the court.

The District Attorney, in controlling the flow and molding the character of each criminal case, becomes, therefore, the dominant factor in the establishment of a standard of Federal law enforcement. Investigative agencies on the one hand and the court on the other, each depend upon the District Attorney to set the pace and the quality of criminal prosecution under the Federal law. Too much importance cannot be attached to the obligation of the District Attorney properly to present these criminal cases to commissioners, to grand juries, and to the court. It is he who can do most to set the standard of enforcement within his judicial district.

STRUCTURE OF THE ENFORCEMENT MACHINE

In order to visualize some of the organization difficulties incident to the enforcement of the Eighteenth Amendment, Chart A was prepared by the staff of the National Commission on Law Observance and Enforcement.³

³ *Report on Federal Prohibition Enforcement*, prepared under the direction of Henry S. Dennison by Albert E. Sawyer, in Three Parts, also three supplemental statements, Vol. 2, pp. 221 et seq. 71st Congress, 3rd Session, Senate Document No. 307, Enforcement of the Prohibition Laws, Official Records of the National Commission on Law Observance and Enforcement. This publication is subsequently referred to as "Report to the Commission."

The chart has been revised to show the principal relationships following the reorganization of July 1, 1930.⁴ The extended note at the end of this article will serve the reader who is interested in following the details of the manifold structure of the enforcement machine.

Attention is called to the division of the chart into three zones or layers designated on the left margin by Roman numerals. That portion of the chart designated as "I" represents the Washington organization, a series of separate bureaus and services with few indications of coordinated effort except as they all clear through their respective Cabinet officers. The central portion of the chart, "II," represents the field organization and reveals some interesting differences. There is a distinct shift from the strict vertical structure of the Washington branches of the bureaus. The tendency is toward the horizontal type of organization by reason of the "course of prosecution" moving across bureau and departmental lines to the office of the United States District Attorney and the courts.

This difference between the headquarters and the field offices of the Federal agencies involved in the law enforcement work is more than a matter of lines on an organization chart. Whereas in Washington offices of the bureaus the spirit of the independent and self-sufficient organization predominates, the bureau and departmental lines are less prominent in the field offices.

LOCAL NATURE OF JUDICIAL DISTRICTS

This difference is important enough to bear closer scrutiny. A federal judicial district is an essentially local organization, although it is made up of

branches of several Federal organizations. The court itself is the representative of the Federal judiciary, and comprises one or more Federal judges, United States commissioners, and other officers of the court. The executive branch of the Government is represented by the United States District Attorney and the United States Marshal. But the courts, the commissioners, the marshal, the district attorney, and their respective staffs, all have a distinctly local tinge. Their personnel is largely drawn from the towns within the district. As a group they form part and parcel of the fabric of the community, and they are conscious of their positions as local citizens.

In a very real sense, therefore, the judicial district is an organization apart from the Federal Government in Washington; in many respects it is more closely allied to local affairs than to national affairs, and responds more quickly to local sentiment than to any centralizing influence from headquarters. This quasi independent attitude of the judicial district is a very important element in the problem of the effective enforcement of the criminal law, and it must be recognized in any attempt to analyze the work of a Federal prohibition officer operating within a judicial district.

Under these conditions it is not surprising, therefore, that methods of procedure and policies of enforcement tend to vary from one judicial district to another, and that there quite frequently arises a jealous pride which resists the attempt of headquarters to centralize or standardize the work. It is not unnatural, also, to find the enforcement agents somewhat sympathetic toward the local methods of procedure and policies of enforcement, although this tendency does not have any really free range, because of the more highly centralized nature of the

⁴ Prohibition Reorganization Act of May 27, 1930 (Public Act No. 273, 71st Cong.).

Bureau of Prohibition. The Prohibition Agent working in the district is by no means as free from the influence of Washington as the district attorney or the Federal judge. In the first place, his activities are more fully controlled by a prohibition administrator, under whose direction come several contiguous judicial districts, and these administrators are in turn more fully controlled by the Director of Prohibition in Washington. At the outset, therefore, the stage is set for a certain amount of organization difficulty.

FEDERAL POLICE ORGANIZATION

There is a very strong temptation to conclude that with the expanding police jurisdiction of the Federal Government must come a drastic change in organization—more centralization and uniformity. Bureaus and services should be combined and the whole more closely tied together. Lovers of clean-cut organizations and definite lines of authority that fairly bristle with efficiency, look with envious eyes at splendid police units like the Metropolitan Police force in the British Isles. Plans for centralizing the Federal police have already appeared in the pages of this journal.⁵

Institutions like Scotland Yard and kindred organizations in Europe are looked to hopefully for suggestions by those who would improve the American, and particularly the Federal, investigative work; and their unity of management is an outstanding characteristic. These fine examples of police organization, however, are the growth of an entirely different governmental structure, and there is a very grave doubt whether any sort of unified investigative agency could ever suc-

ceed under the American Federal plan of organization.

The executive branch of the Federal Government is not a united organization except in so far as the office of the President establishes a central policy-forming agency. Federal government, lacking that which is comparable to a general manager (that is, a central coordinating administrative agency as distinct from the policy-forming or steering agency), is confronted with certain inevitable difficulties in the execution of tasks which spread beyond the limits of a single executive department. This difficulty is not confined to interdepartmental matters, but the executive departments themselves are headed by Cabinet officers who, like the President, are primarily policy-forming officers, thus leaving the bureaus and other subdivisions of these departments largely to the independent management of their commissioners and directors.

This form of organization is well adapted to the ordinary tasks of federal government with limited jurisdiction, each block of duties being clearly specified by law with little or no general police power. But the experience of these thirteen years has revealed more clearly than ever before that effective work is not done where the need for joint action on the part of several bureaus and departments demands common leadership. But it is equally certain that any plan to unify the investigative agencies of the Federal Government under a single management would so disturb the present federal organization as to make the suggestion of doubtful practicability at this time.

Perhaps the solution to these difficulties lies in another direction. It is too easy to blame the structure of the organization for its ineffectiveness, forgetting that the form of an organization is but a tool in the hands of those

⁵ Langeluttig, Albert, "Federal Police," *THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE*, CXLVI, No. 235 (Nov. 1929), p. 41.

charged with the responsibility of carrying out a given task. The technique applied to the tools must also be examined, and those who would seek for more effective law enforcement must not overlook the factor of management—the way in which the organization, the laws, and the personnel have been utilized in the job of making the Eighteenth Amendment effective.

II. MANAGEMENT PROBLEMS

The Bureau of Prohibition properly receives most attention in any analysis of Federal prohibition technique. The management of this unit throughout the twelve-year period formed the subject matter for most of the report prepared for the National Commission on Law Observance and Enforcement.⁶ There was no doubt in the minds of the Commission's investigators that the quality of the management of this Bureau has had a profound influence upon the public attitude toward this law. This influence has been far greater than any handicap arising out of the form of the law under which the Bureau is operated or the structure of its organization.

One index of management is the effectiveness with which it plans the expenditure of the funds at its disposal. The following comments in the report are worthy of repetition here. In speaking of the Bureau before its reorganization in July 1930, the report says:

The impression gained after a study of the field units . . . seems to indicate pretty clearly that the activities of the Bureau have been cut to fit a sum estab-

lished at Washington rather than to fit the known requirements of the task to be accomplished. There are many unmistakable indications that enforcement work and permit control have been skimmed for want of funds, and in most instances for want of part of those marginal sums which can make doubly effective the funds which in fact are expended. The amount by which the budget has fallen short of what would seem to be an adequate amount is not far from \$5,000,000—a sum which from a national viewpoint is not a cost of great significance and which, spread over the enforcement and permissive phases of the Bureau's work, would have made a very marked difference in the total effectiveness of the Federal enforcement organization.

* * *

Any survey of the history of the budget for prohibition indicates the lack of drive with which Washington has faced this problem. When Congress showed a willingness to add five times the amount necessary to make the work really effective, the Bureau gave the excuse that the courts were crowded with prohibition cases, and that a larger staff of enforcement officers merely would mean increased difficulty and delay in prosecution. This would make it seem that the Washington office (of the Bureau) has looked upon field work too much as representing so many criminal cases per agent, without realizing the immense importance of the preventive work which can be done. As has already been pointed out, administrators never have had sufficient men to do much more than that part of the routine work crowding in upon them daily which they have felt they properly could not neglect. The follow-up of registered stills, improvement of the staff of storekeeper gaugers, the continuous watching of doubtful permittees, the long, slow digging to the focal points of violations, the increase of research facilities in the laboratory, all these and many other elements of the work, which discourages the violation of the law and enables the Government to take an intelligent offensive against commercialized liquor traffic, have been given too little support and attention. The Washington office has seemed to allow too

⁶ For a discussion of the relation of this and other studies on various phases of the prohibition question conducted for the National Commission on Law Observance and Enforcement to the Commission's "Report on the Enforcement of the Prohibition Laws of the United States," see an article by the writer in the *Michigan Law Review*, XXX, Nov. 1931, p. 7, at p. 19 *et seq.*

much emphasis upon those obvious violations which tend to keep the district attorneys overburdened and courts filled, and too little upon the preventive work which would relieve them.⁷ The lack of support of a program of preventive enforcement is, perhaps, the most common criticism of the administration of the laws to enforce the Eighteenth Amendment. Those who understand the limitations of a relatively new and green crew of men are somewhat less severe in this criticism, but earnest and intelligent men among them believe that a strategy more strongly directed to prevention would have a measure of success which would make public opinion much more favorable than it is today.⁸

POLITICAL INTERFERENCE

Another measure of the quality of the management of the Bureau during its first ten years is the manner in which it has reacted to the ever present threat of political interference. The following quotation from the report touching upon this phase of management appears on page 131:

It is difficult to avoid the conclusion that some of the greatest handicaps in the administration of the prohibition laws have been political in character. These handicaps have resulted from the attempt to steer a middle course and avoid offense to important political groups having affiliations with large commercial interests. There are times when it seems as if no high public official has yet made a really do-or-die attempt to meet the issues that have been raised by this law. Some interference by such political considerations as are necessary to take human nature into account are inevitable in all organizations, even in an army in war time. But the central office of any bureau dealing with violators of law must keep such interference occasional and secondary, and feel

itself charged primarily only with the duty of reasonable but effective enforcement.⁹

* * *

It is only natural to find that politicians, office holders, and trade associations, each serving their natural, but often selfish, motives keep an incessant pressure on Washington headquarters for various types of special consideration. Not infrequently they attack the field forces of prohibition, decrying their arbitrary attitude in withholding this, or that, permit or in insisting on certain regulations to an unreasonable degree; or they make violent assault upon the propriety of certain enforcement procedures. A large body of their complaints is made up of charges against administrators and their men, questioning their fairness and integrity of purpose. Undoubtedly some of these complaints have some degree of justification, but it is unfortunate that Washington very often has followed a course which has resulted in sacrificing the morale of the local representative of the Bureau to the satisfaction of these complaints. This has been most often true when, on a permittee's complaint brought directly to headquarters, the latter, without regard for the full understanding of the administrator (in the field) officially has suggested revision of the decisions in question. This has led permittees to appeal too readily to the central office, has reduced the self-confidence of administrators, and opened the way for the belief that political pressure can be applied successfully. The facts indicate that instances of successful political pressure are very rare and that in the great majority of cases decisions have been based upon the actual merits of the cases reviewed in this manner by headquarters, but the fact remains that to many members of the field force the fear of interference aroused by one or two instances of this sort operates as a serious drawback to the effectiveness of their law-enforcement work.¹⁰

* * *

. . . These cases have given members of the organization an exaggerated belief that

⁷ A more complete discussion of the views of the investigators on current enforcement technique appears in the Appendix—"Notes on the Enforcement Personnel."

⁸ Report to the Commission (see footnote 3), p. 128.

⁹ *Ibid.*, p. 131.

¹⁰ *Ibid.*, p. 132.

the central office can be controlled by unseen hands, and they have lent color to the disastrous notion that political powers during the last ten years have not wanted vigorously to enforce the prohibition law.¹¹

It is proper to recognize, in making these suggestions for stronger support of local work, that the pressure exerted upon Washington officials has been greater at times than any group of men could be expected wholly to withstand. Congressmen have insisted upon the appointment or transfer of individuals within the service, political organizations have sought to accelerate or retard enforcement activity in given localities, in accord with the dictates of political expediency. Large and powerful trade associations have come to insist upon attention to their own particular needs. Nor is all of this necessarily a bad influence upon law enforcement activities. It is when these demands are met without the full understanding of the local officers concerned that the morale of the field force seriously is affected.¹²

PERSONNEL POLICIES

One of the best tests of the quality of management lies in the personnel policies it develops. These policies reveal the true nature of the quality of the leadership of the organization. The report summarizes the personnel leadership of the Bureau in 1930 as follows:

The Commissioner [of Prohibition] has by law virtually complete control of the field forces. His power to move men about, or, on cause, to remove them entirely, is sufficient to make his action and his opinion of the greatest influence in the field. The character of this influence is, therefore, a matter which must be considered in measuring the effectiveness of the organization. If the policies of the Commissioner tend to create an attitude that regards the central office at Washington as a ruling body, promounding regulations, handing down decisions, and commanding obedience, then the field offices become mere instrumentalities in the execution of these mandates. On the

other hand, the Commissioner's own attitude readily may dispel this mechanical and bureaucratic atmosphere and plant in its place a feeling that the central office exists only for the purpose of helping the field unit and supplying leadership and inspiration throughout the field for its battle with local conditions. . . . Under such management the administrator and his men, far away from Washington, have uppermost in their minds the fact that they are doing an enforcement job with the help and inspiration of a strong central hand which is constantly with them. The feeling of remote control which reaches over the heads of the men in the field, leaving them alone to work out their adjustments to local conditions then entirely is avoided. There is no need for the administrator to allow his loyalty and devotion to be clouded by the doubt that Washington after all does not really know what the job at the point of conflict is.

In spite of the difficulties of attaining this ideal of singleness of purpose in both field and central offices, which confront such a group of individuals as those in a national organization like the Bureau of Prohibition, the need for this ideal is so great that ultimate success almost wholly is dependent upon its attainment. The Bureau, therefore, cannot content itself with circular letters or other impersonal and mechanical means of admonishing its administrators to coöperate with one another and with other law enforcement groups. Nor is it often wholly effective to call the field executives singly, or in small groups, to Washington, because it is so easy under these circumstances to give the impression that they are being put on the carpet. The Washington office, in the person of its chief and his best qualified representatives, has the important duty of projecting itself into the enforcement job so thoroughly that the distinction between field work and central office work almost ceases to exist.

For many good reasons, this has not been effected adequately in the past.¹³

IMPROVEMENT IN ADMINISTRATION

In recognition of the clear evidence of steady improvement in the period just

¹¹ Report to the Commission, p. 133.

¹² *Ibid.*, p. 132.

¹³ *Ibid.*, p. 127.

preceding the reorganization of July 1, 1930, the report says:

The Commissioner of Prohibition, since his induction in 1927, must be given due credit for the general improvement that is directly traceable to his tireless efforts. His administration faced at its start a host of difficulties, which only extraordinary patience and unflagging effort could prevent from completely disorganizing the entire Bureau. That it reached the point of division and transfer of its enforcement activities to the Department of Justice as a stronger and more effective unit than it ever had been in the past, is in itself a tribute to the unfailing courage and unceasing energy of Commissioner Doran.¹⁴

THE COAST GUARD

Attention is now called to some of the management problems in Federal units associated with the Prohibition Bureaus—the Coast Guard, the Bureau of Customs, and the Department of Justice.

Of the Coast Guard there is little need to be critical. Throughout the period of prohibition enforcement it has demonstrated the fighting spirit of which it is justly proud. Its greatest handicap was forced upon it by an ill-timed economy program which prevented it from keeping pace with the smuggling movement, and placed the service in a defensive position from which it has been difficult and expensive to recover.

The control of smuggling from the Coast Guard standpoint is largely a mechanical problem. Given enough men and boats of the right type, almost any degree of enforcement can be attained. These needs have never been exorbitant. A few more first-class destroyers would aid greatly in the scouting work on the North Atlantic and in the Gulf of Mexico. Some of the confiscated craft could be recondi-

tioned to afford valuable service in trailing the "mother ships," provided they are of the type that can be maneuvered quickly and can attain the necessary speed. The patrol boats need, above all, silencing devices which will enable them better to cope with the rum-running craft.

While it is generally acknowledged that the quantity of liquor smuggled is relatively small, it is enough to afford a basis for the marketing of great quantities of diluted and synthetic liquors in imitation of the genuine. If the Coast Guard facilities were able to cope with the situation sufficiently to destroy the public impression that smuggling can continue on a wholesale scale, the basis for this large industry in fake liquors would gradually disappear, thereby greatly simplifying the problem of domestic enforcement.

BUREAU OF CUSTOMS

A study of the Bureau of Customs' part in making the policy of national prohibition effective cannot be divorced from the general problem of its effectiveness against smuggling of all kinds. The range of commodities dealt in by smugglers is wide, running from Orientals, jewelry and dress goods to dried fish; and liquor and narcotics hold an important place among them. The problem is, however, one single though complex problem, since the loss of control over any channel of importation opens it for the passage of a variety of commodities.

Smugglers have all the advantages which military science recognizes as pertaining to the offensive, and the added advantage of being able to find out in almost complete detail the exact structure of the defensive forces against which they operate. These defensive forces must not be seriously or for many days weakened at any point, or a channel of illicit importation will be

¹⁴ Report to the Commission, p. 130.

likely to establish itself there. Smugglers will work during such hours of the day or week and at whatever docks, shores, or border roads as are found by their information services to be inadequately controlled.

Adequate forces, therefore, to guard against infractions and so to prevent attempts at infractions, are a primary requisite to the satisfactory performance of any such task as the control of smuggling. The forces of the customs service have not been adequate, either as to guards and uniformed men or as to inspectors and customs agents.

A partial inadequacy of forces, moreover, greatly increases the risk that members of the force will be corrupted. Bribery does not pay the smuggler, either where there are so few guards that it is wasting his money to bribe any of them, or where there are so many that he cannot face the risk that the bribe taker will be supplemented, replaced, or checked up. Especially where a freight dock is so lightly guarded that some actual if not official responsibility must of necessity be shifted to employees of steamship, dock, or trucking companies, the opportunities and the temptations of corruption are greatly and improperly increased.

The report concludes its summary of the Customs Service as follows:

The Customs Bureau has a structure appropriate to its tasks, and a tradition and personnel which warrant confidence that it can carry them on with satisfactory effectiveness to the limits which its equipment in men and facilities permit. It cannot now be described as adequately effective, and has considerable house cleaning to do in several places, which, however, can be only of partial effect if it must remain short-handed. It is, however, an important factor in the situation that its own needs and short-comings seem to be as fully recognized by its officials as any one could

desire and that the will to improve conditions seems to be strong among them.¹⁵

LACK OF UNITY BETWEEN AGENCIES

The individual weaknesses in the organization and management of these three important units of Federal enforcement work which have been reviewed in the foregoing paragraphs hardly account for their failure to develop public confidence during these years. As the study of this situation develops to the point where these enforcement agencies begin to appear, not as separate entities, but as units of a single undertaking, attention is directed to an examination of the type and the quality of the forces that coördinate these units.

The study conducted by the Commission affords ample ground upon which to base the conclusion that the major causes for the lack of effectiveness of these three agencies center in the general weakness of the efforts to coördinate their work. In most cases it can truthfully be said that constructive coöperation between Customs, Coast Guard, and Prohibition has generally not been established. Open breaches have been minimized, but when these agencies work together as an effective unit, as they appear to do in several places, it is most likely because of the accident of personal friendship or mutual respect which produces harmonious results. Headquarters activity has netted small return, save to prevent conflict between local representatives from flaring into the open.

There are those who say that the difficulties of coördination are insurmountable. The Customs Bureau and the Coast Guard rather naturally feel that liquor work is incidental and subordinate to their main purpose. The Coast Guard is proud of its life saving

¹⁵ Report to the Commission, p. 155.

work and of its humanitarian service; Customs collect duties totaling hundreds of millions of dollars; is there any reason, then, why they should be proud or enthusiastic over their liquor enforcement duties, which add nothing but unpopularity and exceedingly distasteful work? It is therefore small wonder that there is doubt whether they ever can be made to look upon the enforcement work with that degree of real enthusiasm which makes voluntary coördination successful.

Mutual distrust is another factor which some feel will always tend to keep these three services apart. The prohibition service has not yet had time to live down its early reputation for dishonesty. While the leaders at Washington and in the field realize the significance of the changes that have taken place in recent years, the great body of customs men and coast guardsmen still represent the view of the general public, which fails to take these changes into account. To many of them a prohibition agent must still be assumed to be dishonest. When a prohibition case discloses that the Customs Bureau's 10 per cent examination failed to reveal that most of the unexamined 90 per cent of a shipment of alleged castile soap actually was foreign champagne, prohibition forces naturally feel that there are customs employees who meddle with the laws of chance.

GENUINE LEADERSHIP NEEDED

But these difficulties, born of a strong feeling of self-sufficiency and thriving on lack of understanding and on distrust, are bound to yield to the touch of real leadership—leadership which emanates confidence in the co-ordinate branches of the work and a determination to succeed. Such leadership will not rest its efforts upon Washington conferences; it will inject

itself into the field in an unmistakable way to search fearlessly for the weaknesses, uncover the points of irritation, and apply the essential remedies. Nor will such a leadership rest upon the commissioning of local coördinators to settle local tangles, unless the men so commissioned can rely not merely upon their authority but upon personality as well, and unless they can use their powers to dissipate misunderstandings and define the objectives of prohibition enforcement so that the Customs Bureau and the Coast Guard on the one hand and the Prohibition Bureau on the other, see each other contributing vitally to the success of the entire work.

The absence of a general plan of prohibition enforcement in the Treasury Department has been a notable weakness. Instead of compromising with its objectives at a show of opposition, genuine leadership would have stood its ground. The courts may reverse the administrators on their stand on permit revocations, Congressmen may question expenditures or press hard on personnel cases, wet organizations or dry ones may make insistent demands, district attorneys and judges may complain that their dockets are overloaded, and budget officials may talk of campaigns of economy. These present a severe test of the quality of leadership which directs the enforcement machines—a challenge that has not been adequately met.

PARTISAN INTERFERENCE

The early years of prohibition were characterized by constant pressure from the militant forces who favored or opposed the Eighteenth Amendment. All branches of the Government felt this relentless drive for the special consideration of this or that feature of the enforcement laws. The executive branch, particularly the office of the Assistant Secretary of the Treasury in

charge of the enforcement agencies, received the brunt of these insistent demands. Instead of being free to undertake the gigantic task of developing a national enforcement policy and supplying essential leadership to put it into action, the officials were beset by aggressive and domineering partisans who used every device of practical politics to dictate on matters of organization, personnel, and methods of prohibition enforcement.

No judgment of the ineffectiveness of Federal prohibition can fail to consider the effect of this interference upon the persons officially charged with the conduct of enforcement. There seems to have been, until recently, an endeavor to steer middle courses in an attempt to placate too many complainants. In doing so the Treasury lost the real leadership of its field force, left them to proceed without a plan, and told them to coöperate without leading the way out of the maze of distrust and confusion which the early years of prohibition caused. No one can question the fact that the difficulties to be overcome and the pressures to be resisted were tremendous; to make an effective start against such handicaps was a great task, demanding above all things a leadership of outstanding character. It may be that it was beyond all reasonable expectation that such extreme demands should be met.

Recent years have witnessed distinct improvement in this regard. At the time of the study by the National Commission on Law Observance and Enforcement, there was little direct evidence of this outside interference. But neither was there evidence of a central and consistent planning and driving force to inspire confidence and encourage enforcement officials, Federal, state, and local, to make a wholehearted effort at reasonable enforcement.

NECESSITY FOR A MASTER PLAN

Without a doubt, the one thing which more than any other has weakened the spirit of the prohibition forces in the field, has allowed the Customs Bureau and the Coast Guard to do less than their full part in the program of enforcement, has disgruntled the district attorneys and the judges, and has given the public its general feeling that the National Prohibition Act is unenforceable, is this lack of evidence of a master plan, a skillful leadership. The few instances of local coördination brought about through the personal efforts of some of the local representatives of the Federal organization, mentioned in the report, are but glimpses of what might generally materialize if from headquarters there came a full response to the urgent need for a leadership which would plan carefully and then take the initiative in working toward accomplishment. Success in the future depends upon the awakening of this response and the consequent revivifying of every fiber of the field service.

Little has been said regarding the effect of the transfer of the Bureau of Prohibition to the Department of Justice. From an organization point of view, what it gained by bringing prosecution into closer touch with investigation, it lost in separating the investigative work of the Bureau of Prohibition from that of Customs and the Coast Guard. From the standpoint of operation there were some advantages in the separation of permit and enforcement work. We suspect, however, that the undeniable improvement in the effectiveness of prohibition work since the transfer may be the direct result of the aggressiveness which has characterized the Attorney General and his assistants. The success or failure of an enterprise often

turns upon whether the interest displayed at the top is mild or marked by a lively determination to carry the project to a successful conclusion.

PUBLIC OPINION

This study would be incomplete without reference to the factor of public opinion with regard to the Eighteenth Amendment. The influence of a determined enforcement agency upon public opinion is very great. Given a fair public support to begin with, a sincere enforcement effort will tend to attract greater support and observance. If these advantages are persistently followed for a reasonable period by the Government, the result is a measure of enforcement which generally is regarded as successful.

But such is not the record of the Federal prohibition enforcement. In 1920, public support of the prohibition policy was quite sufficient to enable a reasonable attempt at enforcement to succeed. Local and state police units waited for the leadership of the Federal forces, and the public expected the combined efforts of these enforcement agencies to accomplish what local and state forces alone had not been able to do. Then followed several years of chaotic management, during which the prospect of Federal leadership became dim. Coöperating police agencies began to show signs of lagging interest which in time developed into indifference. Legislatures repealed state enforcement laws and a general reaction to the policy of national prohibition was manifest.

Federal leadership began to appear in 1927, and by 1930 the rate of improvement had been such that there seemed to be an even chance that the increased Federal efficiency might set in motion a counter public opinion in its favor; at least, it then seemed premature to adjudge the prospect a hopeless

one. The following quotation from the report to the Commission summarizes this point:

It is impossible to avoid the conclusion when viewing national prohibition enforcement from its broadest possible aspects, that the steady gain shown in the past twenty-four months can be continued and accelerated in the future, provided that the organizations enforcing these laws are strongly led, properly financed, and allowed to develop fully without political interference. . . . An organization of this character cannot be built overnight. Experience and common sense indicate the importance of the exercise of patience, and ten years is a relatively short time in which to bring about anything but rudimentary progress in any work of this character. In this case it must be remembered that at least the first five of these ten years resulted in little progress or experience, thanks to the recklessness of the politicians, fanatics and criminals who dominated the early years of the new law's administration. At the present moment the picture is a hopeful one, and the fiber of the organization is essentially sound. It is aggressive with the tendency toward fanaticism constantly decreasing, and its management on the whole is characterized by that combination of earnestness, ability, and reasonableness which augurs well for a steady progress toward the goal.¹⁶

Two years have passed since this report was filed with the Commission. Sentiment against the law has mounted in spite of acknowledged improvement in Federal work under Director Woodcock. That there now exists enough sentiment in favor of this law, which, fed by the encouragement of this stronger Federal leadership, may grow into normal support, may reasonably be doubted. If the point has been reached where improved enforcement technique can no longer hope to encourage normal observance, the effectiveness of the National Prohibition

¹⁶ Report to the Commission, p. 134.

policy can be achieved only by some modification of the policy itself which will make it possible to reestablish public confidence in the enforcement agencies, Federal, state and local.

LESSONS FROM PAST EXPERIENCE

Future policies should be built with regard to the lessons of the past, and the twelve years that have gone by since the National Prohibition Act became law have brought out several significant points.

In the first place, while the legal machinery may need adjustment here and there in order to ease the path of those who enforce the law and those who live in accordance with it, the changing of a statute is only one of the ways in which a more effective enforcement can be achieved. The effect of such legislative changes is usually much less than that which is anticipated by those who urge them.¹⁷

It is also necessary to curb the tendency to overestimate the part reorganization plays in the improvement of the situation. It is easy to draw an improved organization chart and visualize thereby the solution of the major difficulties. The organization struc-

ture, like the laws which empower it, are but tools. Good tools are important, but the effective use of the tools at hand is usually of much greater importance.

Of most importance is the lesson that there is no substitute for strong leadership in the positions of high authority. And this is a requirement of any earnest attempt to effectuate either the present or any other national policy for the protection of society against abuse of alcoholic liquors.

There is one important corollary to this proposition that has come out of the twelve-year struggle: Once this leadership is supplied, the friends of the policy must cease interference with the operation of the enforcement agencies. If the present policy should be adjudged a failure, some of its friends have had no small part in that result by their almost fanatical attempts to dictate the internal policies relating to organization, personnel, and methods of enforcement. If the lessons of the past are heeded, the organized supporters of these laws must utilize their power in the cultivation of favorable public acceptance of the policy and avoid meddlesome interference with its administration.

APPENDICES

NOTES ON CHART "A"

The Treasury Department and the Department of Justice are the principal centers of activity connected with the enforcement of the prohibition laws. In the Treasury Department are the Bureau of Industrial Alcohol, the Bureau of Customs, the Coast Guard, and the Bureau of Internal Revenue. In the Department of Justice are the Bureau of Prohibition, the Bureau of Investigation, and the eighty-five United States

District Attorneys' offices. The Bureau of Prohibition of the Department of Justice and the Bureau of Industrial Alcohol in the Treasury Department were formerly a single bureau in the Treasury Department. The separation was made on July 1, 1930 by virtue of the Act of May 27, 1930 (Public Act No. 273, 71st Congress).

¹⁷ Report to the Commission, p. 369, contains recommendations for legislative changes to assist in the regulation of industrial alcohol. For other suggested changes in the Federal statutes, see "Preliminary Report on Observance and Enforcement of Prohibition and the Report Supplemental thereto," Report No. 1 in the series

issued by the National Commission on Law Observance and Enforcement and published as House Document 252, 71st Congress, 2nd sess., p. 27; also "Report on the Enforcement of the Prohibition Laws of the United States," House Document 722, 71st Cong., 3rd sess., pp. 65-68; also Wickersham, "The Program of the Commission on Law Observance and Enforcement," 16 A. B. A. J. 654, 660-661 (Oct. 1930).

The following notes¹ explain the connection of some of the other departments and bureaus with the enforcement of the Eighteenth Amendment:

"The Civil Service Commission also is shown on the chart, but is isolated from the general scheme of interrelation. Its organization is set out because of the importance of its relation to the Prohibition Bureau since the Act of March 3, 1927. It will be noted that the plan of the Civil Service Commission has been divided into three areas or sections, to conform to the plan of the chart as a whole.

"The Post Office Department enters into the domain of prohibition enforcement through its division of postal inspectors, who are known throughout the country as being a very high order of investigators. They must inquire into the illegal use of the mails in distributing liquor or narcotics, and in this way they need to rely upon the coöperation of the Prohibition Bureau. Fraudulent solicitations and advertisements concerning intoxicants also constitute problems for the postal inspectors, and the proceedings which ensue come under the postal laws as well as under the National Prohibition Act. The Post Office Department also notifies the Prohibition Bureau of any shipments of narcotics by mail, and assists in apprehending the shippers.

"The Labor Department is important in the general scheme through its Bureau of Immigration, which maintains patrols of inspectors at various points along the country's borders, in order to prevent the entry of aliens. As an incident of their regular work, these border patrols themselves make seizures of liquor and arrest smugglers, and also turn over to prohibition officials any information they may gather regarding the running of liquor inland. On several occasions the Immigration Bureau has prosecuted cases involving the deportation of aliens who were violators of the liquor or narcotic laws.

"The Department of Commerce joins in preventive activity through its aeronautics branch in connection with the seizure of unlicensed planes and the arrest of unlicensed pilots involved in the smuggling and transportation of liquor. Its radio division, and the Federal Radio Commission, to which it reports, keep in close contact with the Prohibition Bureau, due to the operation by bootleggers of unlicensed stations on short wave lengths, which direct the movements of liquor smuggling ships. Recently an expert inspector from the radio division was detailed to investigate these stations, which resulted in the elimination of one of them, and a number of indictments, thus permitting the Department of

Commerce to proceed with its first test of a criminal case under the Federal Radio Act.

"The Navy Department, while its function is comparatively unimportant, nevertheless figures through its regulations and requirements for purchasers of the patrol vessels which were sold at the end of the World War.

"The Department of the Interior fits into the general pattern in several ways. Under its supervision are detailed five agents in central and northern Alaska, for the purpose of suppressing the liquor traffic among the natives. The Bureau of Indian Affairs is faced with the problem of enforcing the prohibition laws on the Indian reservations. Under it work several prohibition agents from the local administrator's offices, and these men are given added powers under the Indian laws by being appointed special officers of the Indian service. In 1929, Congress appropriated \$100,000 to the Indian service for the purpose of suppressing the illicit traffic on reservation territory. The rangers attached to the national park service also assist by making arrests and reporting violations which occur within the boundaries of the national parks.

"The Department of Agriculture has a close connection with the permissive system under the National Prohibition Act, by means of its food, drug, and insecticide administration. The use of alcohol in preparations subject to the approval of this Department necessitates close coöperation with the Prohibition Bureau, and the Department is able to inform the Bureau whenever there appear to be violations of the regulations. The field laboratories of the food, drug, and insecticide administration are in close touch with the laboratories attached to the prohibition districts, and they exchange technical information. The forest service of the Interior Department also assists by means of the actual seizures made and information given by the rangers in the 159,000,000 acres of national forests.

"Another important link in the chain of Federal organizations concerned with the enforcement of the Eighteenth Amendment is the State Department. Its representatives at home and abroad assist in securing the aid of foreign governments in the suppression of liquor and narcotic smuggling. This is also shown on Chart 'A' as an illustration of coördination by foreign governments, and is placed in the lower right corner with coördinative lines from the foreign service to these governments and the Prohibition Bureau. The State Department obtains information concerning ships and persons engaged in smuggling liquor and narcotics into the United States, and forwards it to the division of foreign control in the Prohibition Bureau, which in turn distributes it to the points concerned. It makes every effort to restrict smuggling at for-

¹ Quoted from Report to the Commission, pp. 221 *et seq.*

eign bases, and by the latter part of 1929 had reduced the number of foreign ships suspected of smuggling from about two hundred and fifty to one hundred and three. It also has brought some sixteen foreign governments to the point where they are in direct correspondence with the narcotic division concerning regulation of the drug traffic.

"The public health service in the Treasury Department has the responsibility of determining the needs of ships for medicinal liquors and drugs during prospective voyages, and these needs and their approval are determined by the port medical officers, who act for the Government in this respect, using regular prohibition forms and issuing permits to purchase in less than five-gallon lots.

"The Secret Service of the Treasury Department has coöperated with the Prohibition Bureau by making investigations and apprehensions where organized rings have been engaged in counterfeiting liquor permits and physicians' prescription books.

"The Bureau of Internal Revenue is another Treasury Department agency which figures in the actual operation of enforcement. It sells and accounts for the sales of all internal revenue tax stamps where liquors, wines, and narcotics are sold in this country, and collects occupational taxes from wholesalers and retailers engaged in the liquor trade. The field offices of the Prohibition Bureau notify the local collector of internal revenue concerning all persons granted permits to manufacture, wholesale, import, export, sell, use, operate dealcoholizing plants, and store liquor in bond, and also forward copies of certain permits to withdraw if there is a tax involved. In the matter of offers in compromise for violation of the prohibition and narcotic laws, the collectors of internal revenue act as collecting agencies, and transmit such offers as are submitted to the Bureau of Prohibition for appropriate action. The intelligence unit of the Bureau of Internal Revenue freely exchanges with the Prohibition Bureau all information of value. It has made a number of important investigations of failures by violators of the liquor laws to pay income taxes, and has assisted in cases involving counterfeit revenue stamps.

"The bureau of investigation offers its facilities in apprehending fugitives who have violated the prohibition laws, and in following up interstate motor vehicle thefts and impersonations of prohibition officers.

"Certain independent agencies, which are shown in the upper right portion of the chart, render definite assistance to the Prohibition Bureau. The Federal Narcotics Control Board,²

composed of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce, is the authority for rules and regulations concerning the traffic in drugs. Its connection is close in that the narcotic division of the Bureau of Prohibition is the administrative agency for this Board.

"The Interstate Commerce Commission has certain regulations regarding the shipment of liquor in interstate traffic, and the regulations of the Prohibition Bureau in this respect must conform to those of the Commission, which also assists by apprehending the liquor law violators who have infringed the Commission's rules.

"The Shipping Board has taken measures of extreme caution to see that vessels are sold only to bona fide purchasers who are not involved in smuggling in any way. This has been aided by a coöperative arrangement with the division of foreign control. Vessels transferred to foreign registry under the approval of the Shipping Board usually are transferred under a bond conditioned that the vessels be not used in unlawful liquor traffic. Part of the Prohibition Bureau's endeavor is to discover violators of these conditions, with consequent forfeiture of the bonds.

"Private corporations, railroads, civic organizations, private citizens, and the like also play rôles of varying importance in enforcement activities. They may do this by regulation, educational methods, or political activity which lends aid to those in sympathy with prohibition, and by information given of the occurrence of violations.

"Of tremendous importance, of course, are the states with all of their various agencies and organizations which can and do assist in enforcing the provisions of the National Prohibition law as well as those of their own prohibitory statutes, and from whom definite assistance comes, even if there be no state prohibition law.³

"The division of the chart into three areas, shown by the Roman numerals at the left with arrows indicating the extent of each area, has been made with a view to separating the various agencies as far as their field work and administrative work is concerned. Area I, which is all of that part of the chart above the first wavy line, shows those portions of the several Federal agencies which actually are in Washington, and concerned with administrative duties. Area II represents the field, and in it are placed all of the field offices and active units of the several agen-

³ For example, state and municipal officers in New York (which has no prohibition statute) render definite assistance under the "nuisance" clause; see Sections 1530 and 1533 of the state penal law, and Section 953 of the Code of Criminal Procedure.

² Abolished after July 1, 1930.

cies. Area III is somewhat more difficult to align. In it are placed those subdivisions of the Federal agencies which act, in relation to prohibition enforcement, in a coördinative capacity. In this connection some confusion may arise, inasmuch as the same unit may be shown both in the field, where it has active enforcement duties, and in the coördinative area, where it also is placed in order to differentiate these coördinative functions. In such cases, it simply is projected into the lower area, as in the case of the United States attorneys. These are shown first in the field, because that is, of course, where their duties are performed; but since they also act to bring together Federal and state enforcement officials, they are brought down by means of a plain, unbroken line to the coördinative area. This plain, unbroken line does nothing more than place the attorneys there and account for their presence in the coördinative area. Once placed, it is the broken, or, as the legend shows, the coördinative lines which indicate the course of the United States attorneys' activities in this area. Hence it may be seen that the broken or coördinative lines of the chart, no matter where they may end, must begin in Area III.

"In the upper right hand part of the chart have been placed several agencies which are independent of this scheme of division. They are shown because they play some part at least in the comprehensive field of enforcement.

"The plain, unbroken lines and broken lines have been referred to, and are explained in the legend, as are also the curved lines. The latter, however, are not intended to show, in an all-inclusive sense, every connection between the various agencies, departments, and divisions which exists. Within the Prohibition Bureau itself, for example, are almost innumerable connections and unofficial exchanges of information. There have been charted only what are felt to be the more important connections in relation to active enforcement problems such as the connection of the permissive sections with the laboratory and the legal section in a given administrative district. These lines also may indicate actual coöperation due to similarity in duties, such as is shown to exist between the border patrol of the Immigration Bureau and the land border patrol under the Customs Bureau.

"The triple lines marked 'course of prosecution' are intended to emphasize the importance of the United States District Attorney in the entire scheme of Federal law enforcement. Every Federal agency apprehending a law violator or detecting a law violation must come to the district attorney for the final step of prosecution, and hence there exists this convergence of activities in his office. In view of the fact that each department of the Government is more or less

vertical in structure and independent in nature, the chart shows that the United States attorney is perhaps the most important focal point in the entire scheme for the correlation of these various independent departments. In line with this same thought has been the placing of the heavily shaded boxes showing the customs collectors, supervising customs agents, deputy administrators, and Federal marshals, commissioners, and judges. Their positions correspond to that of the United States attorney in so far as they are the officials in active charge of the standard geographical subdivision of their own particular departments. Hence, while there were twenty-seven prohibition districts, and so twenty-seven prohibition administrators, it was the deputy administrator who was the important active official in charge of one judicial district, which is the final subdivision of the Prohibition, Bureau, in so far as field administration is concerned.

"The foregoing indicates the multiplicity of agencies whose activities have been brought into play by prohibition legislation. The delineation of their general plan of organization may help to suggest how relatively independent and complete in themselves, that is, vertical, are the typical Federal departments; also it may suggest that perhaps there are not, at present, adequate facilities for coördinating, or even securing an easy exchange of information between these several departments, not to mention the subdivisions of the departments themselves."

NOTE ON THE ENFORCEMENT PERSONNEL¹

The success of the application of civil service to the enforcement personnel lies chiefly in the fact that the new men have a background of experience and education that was not possessed by former enforcement officers.² They have been selected more for what can be developed from them and with less thought to their immediate fitness for the kind of enforcement work that has dominated the picture in the past. In other words, the new men are frequently not such good policemen, but their superior educational background makes them more receptive to the intensive training program that looks toward their development into first-class investigative officers. These are the signs, which point to a process of natural evolution, whereby the prohibition agent of today will be the investigator of tomorrow. If the staff is subjected to the rigorous training inaugurated under Commissioner Doran³ and intensified by Director

¹ Quoted from Report to the Commission, pp. 355 *et seq.*

² See Chapter III of Part Two, p. 227.

³ For a full discussion of personnel training policies now in force, see p. 242, Part Two.

Woodcock much progress can be made. At the same time the present policy of adding to the staff a series of small groups that can be properly subjected to the training program, will continue until the approximate limits of the recommended increase is reached. Conservative estimates would allow for the possibility that one half of the men might not fulfill these expectations within a four-year period and would therefore not be capable of undertaking the work of a first-class detective.

There is every reasonable prospect, therefore, that the end of the four-year period will see the Prohibition Bureau manned by some three thousand ⁴ officers of whom at least fifteen hundred have investigative ability equal to that of the special agents that now number less than two hundred men. If the work of the special agent is a reasonable basis for measuring the enforcement possibilities of this improved personnel, we can look forward to a very radical change in the effectiveness of Federal prohibition enforcement. The chapters dealing with the investigator and special agent ⁵ deal fully with their technique and it is not difficult to realize that two or three well-trained investigators when allowed to fully develop their cases without concern over their "paper showing" can accomplish more real enforcement by working eight or ten months on a case and making a half dozen arrests than fifty agents working furiously at raiding tactics netting that many arrests per man per day. The six men arrested by the special agents usually represent "higher ups" whose capture is of great significance, while those caught on raids are but hirelings whose incarceration merely "adds to the overhead" but does not reduce the output of liquor.

That this change in emphasis is but the natural consequence of the policies already adopted is but a reasonable inference from the experience of other well-established investigative agencies. The development of the Criminal Investigation Department (Scotland Yard) agent, is the application of these same policies.⁶ The Postal Inspectors, Secret Service agents, Department of Justice agents, and Internal Revenue Inspectors are the product of this same general plan of careful selection plus intensive training. The prohibition service blundered at its inception by completely ignoring the fact that its first great task was the building of a well-trained personnel. It

⁴ The present staff of fifteen hundred agents increased 60 per cent and investigators and special agents increased 100 per cent.

⁵ Chapters 2 and 10 of Part One.

⁶ Dilnot, George, *Scotland Yard*, Chap. XXXVI.

plunged forward crudely and clumsily striking at the obvious violations with only a meager comprehension of the more fundamental approach to the problems of Federal prohibition enforcement. In 1927 there were indications that the Federal Government was conscious of these blunders, but the process of replacing the forces with men capable of being trained is a slow one. Only after January 1, 1930 was the stage really set for the application of an intensive training program. By February 15, 1930 a correspondence course was under way as an initial step in a comprehensive training program. The transfer to the Department of Justice on July 1, 1930 gave impetus to the urge for this development and with the continuation of the educational program and the seasoning of the eight hundred ⁷ men inducted into the service within the eighteen months preceding the transfer, the proper transition of the Federal prohibition agents from the level of police yeomen to Federal investigators seems to be assured.

It is encouraging to think what this transition means in terms of enforcement. First of all, with at least half of the force working on major investigations the number of cases presented for prosecution will be substantially reduced.⁸ In place of presenting hosts of police court cases to the Federal courts, the prosecutors, judges and juries will witness more of the kind of cases that they are now demanding—cases involving ring leaders. A change in the attitude of the courts and prosecutors may well be expected to follow, and with the increased conviction of those really responsible for the larger liquor conspiracies ⁹

⁷ Chart 9, p. 215, Part Two.

⁸ The following table compares the work of special agents with that of prohibition agents for the fiscal year ending June 30, 1929 and 1930 as shown by annual statistics published by the Commissioner of Prohibition:

	Special Agents	Agents
Number of stills seized	49	12,132
Persons arrested by Federal officers	1,375	66,798
Persons arrested by state officers on information furnished by Federal officers . .	603	1,337

On June 30, 1930, there were 193 special agents and 1,484 prohibition agents on duty.

⁹ The following analysis of conspiracy cases instituted on the basis of the investigations of

will come greater general respect for prohibition enforcement. The sense of substantial ac-

the Bureau of Prohibition represents largely the work of special agents:

CONSPIRACY CASES BY DEFENDANTS

	1930	1929	1928
Commenced, cases . . .	921	670	666
People involved	4,825	3,916	3,554
Terminations	3,716	2,561	2,646
Convictions	1,835	1,409	1,311
Per cent of convictions . .	49.3	55	49.5
Acquittals	356	259	210
Not-prossed	851	334	395
Dismissed	674	559	730
Number of jail sentences imposed	1,094	817	716
Per cent of convictions receiving jail sentences	59.6	57.9	54
Total jail sentences:			
Years	980	659	523
Months	1	11	9
Days	8	27	22
Average sentence:			
Per each conviction . .	192.2	168.5	143.8
Per jail sentence imposed	322.5	290.6	265.9
Fines imposed	\$424,684.65	\$512,861.28	\$455,757.73
Average fine	\$231.43	\$363.98	\$347.64

complishment that flows from developments of this character will have a marked effect upon the Prohibition Bureau itself and upon the agencies, local, state and Federal, that are concerned with prohibition enforcement.

Thus by this shift of emphasis from ordinary police tactics to the tactics of the skilled detective the Federal prohibition forces strike simultaneously at the two great outstanding weaknesses of the present state of enforcement, namely, the lack of sufficient drive against the major violators and the overloading of the Federal courts with a hordé of cases that do not signify effective enforcement. No one who realizes the significance of the forces that are now producing these changes and promise in the course of three or four years to bring about this shift of emphasis can pronounce the enforcement of national prohibition an impractical task before this development takes effect. With the improvement of the personnel well under way the promise of success rests not upon mere organization changes but upon a more fundamental comprehension of the proper approach to the problem born of the chaos of the first six experimental years."

Mr. Albert E. Sawyer was associated with Cadwalader, Wickersham, and Taft, of New York City, at the time the investigation was undertaken by the National Commission on Law Observance and Enforcement. He was formerly business manager of the University of Michigan Hospital, and is now consultant in industrial management problems, and author of several articles on business management.

State Coöperation in Enforcement

By WILLIAM G. BROWN

THE Eighteenth Amendment to the Constitution of the United States providing for national constitutional prohibition became effective on the 16th day of January, 1920. The Amendment was adopted by the ratification of the joint resolution of Congress proposing such amendment one year prior to said date, through the action of the requisite three fourths of the states in the Union by vote of their respective legislatures.

Before the ratification of the national Amendment, thirty-three states had adopted prohibition. Fifteen of these states had by a referendum vote written prohibition of the beverage liquor traffic into their constitutions, and ten of them had the approval of their electorates by referendum on statutory prohibition. The remaining prohibition states had by legislative enactment in each case adopted state-wide prohibition. Of the fifteen wet states, twelve promptly ratified the Amendment at the first session of their respective legislatures after its submission. New Jersey did not ratify until March 9, 1922, and Connecticut and Rhode Island have thus far failed to ratify.

STATE ENFORCEMENT CODES

Since the adoption of national prohibition, forty-two states have consistently held to their enforcement codes against the well-directed and continuous attacks of anti-prohibitionists; thirty-four states have not only maintained their prohibition laws but have from time to time strengthened them; only five states have repealed their codes, and only one

state in the Union has failed to enact a law for the enforcement of prohibition.

The forty-two states having enforcement codes vary widely in their methods of suppressing the liquor traffic. In all these states, selling, keeping for sale, transporting, and usually the manufacturing of liquors is forbidden. Even New York, Massachusetts, Wisconsin, Montana, and Nevada, in which the State enforcement laws have been repealed, may be said to coöperate to a certain extent in the enforcement of prohibition. The State officials are empowered by the National Prohibition Act to prosecute violations in the Federal Courts of their respective districts, and to a limited extent this is done. Counties and municipalities in these states, under local laws and ordinances, aid in the suppression of the liquor traffic by forbidding and punishing intoxication, drunken drivers, disorderly conduct, and like offenses, thus indirectly, at least, supporting the Amendment.

In the State of Maryland, in which no State code has been enacted, twenty of the twenty-three counties in the State forbid the sale of liquor, and every county and municipality within the State has some law dealing with the evils of the liquor traffic.

In the States of Illinois, Rhode Island, and New Jersey a bitter fight has been maintained for the past two years between the wet and dry forces. Early in 1931, the General Assembly of Illinois repealed the State prohibition laws. Governor Emerson promptly vetoed the measure, declaring that "Illinois must stand with the Federal

Government and the supreme law of the land."

Rhode Island submitted a referendum on retention of the Eighteenth Amendment at the November election, 1930. The result was against retaining the Amendment by a vote of almost 4 to 1. At the 1931 session of the legislature, several bills were introduced seeking repeal or weakening of the prohibition laws, but these measures failed.

New Jersey elected Honorable Dwight W. Morrow to the United States Senate in 1930 on a platform calling for the repeal of the Eighteenth Amendment and the return to State control of intoxicating liquor. At the 1931 session of the legislature a joint resolution was adopted asking the President to call a special session of Congress to amend the national law to bring back wine and beer.

CONSISTENT SUPPORT OF EIGHTEENTH AMENDMENT

Outside the nine states above mentioned, there has been consistent support in aid of the Eighteenth Amendment. In at least thirty-six states the constant opposition to prohibition and the ever changing schemes and devices of the moonshiner, the rumrunner, and the bootlegger have been met by progressive and effective legislation in order to suppress the traffic in beverage liquors and in support of national prohibition. In many of these states the definition of "liquors" is more comprehensive than the definition written into the Federal law, thereby meeting the tendency to provide intoxicants under the guise of medicines, toilet waters, flavoring extracts, and like preparations. The penalties are often more severe and the lesser violations more summarily dealt with by justices of the peace and municipal officers than is possible under Federal law.

In the fifth paragraph of its "conclusions and recommendations," the Wickersham Commission declared:

The Commission is of opinion that the coöperation of the states is an essential element in the enforcement of the Eighteenth Amendment and the National Prohibition Act throughout the territory of the United States; that the support of public opinion in the several states is necessary in order to insure such coöperation.

The President, in his message transmitting this report to Congress, emphasized this recommendation as the imperative necessity for greater assumption and performance by State and local governments of their share of responsibilities under the concurrent enforcement provision of the Constitution if enforcement is to be successful.

Is it to be understood from the opinion of the Commission and the statement of the President quoted above that the states have been derelict in the exercise of their "concurrent power"? A careful survey of the entire field of state legislation covering prohibition enforcement since 1920 negatives any such suggestion. In the light of the history of state enforcement as a whole for the past twelve years, the quoted statement of the Wickersham Commission appears rather as an appreciation of state coöperation than a criticism of failure to assume their "share of responsibilities."

STATE RIGHT AND DUTY

In our system of dual government, the State government is more intimately in touch with its citizens than is the Federal authority. Local conditions, as climate, character of population, and occupations and customs of its citizens are reflected in State and local government. The reservation of police power to the State—the right to regulate and control its own internal

affairs—is one of the great fundamental principles of our representative system of government. It is this *inherent right* of the State to exercise full police power within its boundaries that lays upon each commonwealth the *corresponding duty* to coöperate with the National Government in its purpose “to insure domestic tranquillity” and “to promote the general welfare” throughout the Nation.

This duty to coöperate in the enforcement of the Eighteenth Amendment was reassumed by the solemn ratification of that amendment by the several states, wherein they surrendered to the Federal Government the right to enforce the prohibition of the beverage liquor traffic in its concurrent action with the states. The Supreme Court of the United States, in *National Prohibition Cases* (253 U. S. 350), thus construes the “concurrent clause” of the Amendment:

The second section of the Amendment—the one declaring “the Congress and the several states shall have concurrent power to enforce this article by appropriate legislation”—*does not enable Congress or the several states to defeat or thwart the prohibition, but only to enforce it by appropriate means.*

The second clause of the Amendment thus becomes an agreement between the states and the Federal Government to coöperate in its enforcement.

METHODS OF STATE ENFORCEMENT

By at least five distinct methods, the states are strongly assisting the United States Government in the enforcement of prohibition:

First: In many of the states a more practical and comprehensive search and seizure law is in effect than is permissible in the enforcement of the National Prohibition Act.

Second: Drastic laws defining intoxication and imposing heavy pen-

alties for public drinking and intoxication have been enacted in a number of states.

Third: Operation of motor vehicles on public highways by drivers under the influence of liquor has been forbidden by law in the greater number of the states, and heavy punishment provided for violations.

Fourth: Statutes supervising and regulating the sale of medicinal liquors, sacramental wines, and alcoholic preparations capable of use as intoxicants have been pretty generally enacted by the states in aid of the control of non-beverage liquors.

Fifth: Laws requiring that scientific temperance instruction shall be given in the public schools are in force in all the states.

A further study of State legislation as grouped under the foregoing captions will more definitely present the importance of the various methods by which the states are supporting the National Government in enforcement.

STATE SEARCH AND SEIZURE LAWS

In the several states, as a general rule, search and seizure in aid of prohibition enforcement is a much more simple procedure than under the National Enforcement Act. In some states, as in West Virginia, for example, upon information made under oath or affirmation that any person is manufacturing or selling liquor or in any manner violating the prohibition laws, any justice of the peace, the mayor of any municipality, or the judge of any circuit or criminal court may issue a search warrant upon the affidavit of the complainant that he is informed and believes the law is, in the specific manner set out, being violated. Officials having information of violations are thus enabled to procure warrants upon “information and belief,” without disclosing their informers.

The Kansas law provides that any citizen can give information and furnish leads which the county attorney can use in procuring a search and seizure warrant. This has proved most effective, as it enables the citizen to work with the officers and exercise his rights as a citizen within the limitations of the law without being a "snooper" or detective.

Under Federal procedure, the complainant and any witnesses available must set out in affidavit or depositions the facts to establish the sale or other violations charged, and also a description of the liquor and property in question, and the affidavits or depositions must be attached to the complaint. The names of complainants are thus immediately disclosed, which militates strongly against the giving of information by private citizens. It is especially difficult to procure a search and seizure warrant for a dwelling house under Federal law; and many other technicalities appertaining to its issuance and service render it a much less formidable means of enforcement than the state process. Indeed, in many jurisdictions searches and seizures are mainly conducted by state warrant even though the prosecution be in Federal Court. The United States Courts have repeatedly held that "evidence procured by State officers may be used in prosecutions in a Federal jurisdiction."

Although the ordinary search and seizure warrant as authorized by State law is quickly and easily obtainable, the fact that it is procured by local officers who are fully informed as to local conditions, who usually know the offenders, and who are seldom mistaken as to the facts, precludes any well-founded criticism of this effective weapon in enforcement. Indeed, so successfully has this means of prosecution been employed throughout the

country that opponents of prohibition have united in a general effort in recent years to repeal State search and seizure laws, upon the plea that State laws should be uniform with the Federal, or similar pretexts. Among the states in which such repeal measures have been attempted are Arizona, Colorado, Illinois, Indiana, and West Virginia.

STATUTES DEFINING AND PUNISHING INTOXICATION

The National Prohibition Act does not attempt to define or punish intoxication. In fact, State legislation has but recently been directed to this end. It has been said that the old concept of intoxication is entirely obsolete because of present-day conditions. Intoxication must now be defined in the light of the use of the automobile and our improved highways. The Virginia statute declares that

any person who has drunk enough ardent spirits to so affect his manner, disposition, speech, muscular movement, general appearance or behavior as to be apparent to observation, shall be deemed, for the purposes of this act, to be intoxicated.

In states punishing drinking in public and intoxication, where no statutory definition has been enacted, the courts have quite generally held that the person is intoxicated when under the influence of liquor to the extent of being unable to care properly for his own safety or the safety of others.

The Supreme Court of West Virginia holds that within the meaning of the law of that State, intoxication "is such a mental condition of a person due to the use of liquor as attracts the observation of others." In addition to the State law, almost every city, town, and village by ordinance prohibits intoxication in public and punishes violations often more drastically than the general law.

Many of the states give a right of action, similar to that provided in the Volstead Act, to any one who may be injured in person, property, means of support, or otherwise, by any intoxicated person, or by reason of the intoxication of any person, against the party causing such intoxication. The Virginia statute allows the assessment of exemplary damages in addition to actual damages suffered.

LAWS AGAINST INTOXICATED DRIVERS

The necessity for sobriety in this machine age is universally recognized by thinking people. This is daily and hourly demonstrated on our streets and highways. The Federal laws do not make drunkenness and drunken driving a crime, and therefore the duty falls upon the states and their governmental subdivisions to suppress this dangerous product of the beverage liquor traffic.

The Maine law provides that

no person shall operate or drive or attempt to drive a motor vehicle on any highway, town way, public street, avenue, driveway, park or parkway of this State when intoxicated or at all under the influence of intoxicating liquor or drug.

Heavy fines and imprisonment with revocation of license to operate are features of the penalties for violation.

Both the Virginia and West Virginia statutes make it unlawful for any person to drive any automobile or motor vehicle "while under the influence of intoxicants or narcotic drugs." Heavy penalties are provided, including the revocation of the operator's license. Some statutes provide that on appeal, the license shall not be restored pending hearing, and others forbid suspension of sentences by any court in these cases. In West Virginia a second offense is made a felony, punishable by imprisonment in the penitentiary for a period of one

to three years. The Supreme Court of Virginia recently held in a case of drunken driving that

the test of intoxication is not the ability of a driver to operate an automobile with safety to himself and others, but whether *while driving he is under the influence of intoxicants.*

Many other states have legislated vigorously against the "drunken driver," and the tendency in this respect seems to be to tighten and strengthen these laws rather than to relax them. Florida not only places a heavy fine and jail sentence for driving an automobile while drunk, but declares death caused by the drunken driver to be manslaughter. Arizona, Texas, Indiana, Iowa, and Oklahoma each have enacted strong measures against this evil.

SUPERVISION OF LIQUORS FOR NON-BEVERAGE USE

The Federal "Permissive System," designed to keep intoxicating liquors authorized for non-beverage use within their proper channels, has been found inadequate to meet conditions prevailing in many states.

Even in the days of the saloon, many patent medicines, flavoring extracts, and like preparations were employed as intoxicants. As state after state adopted prohibition, resort was had more and more to such preparations and concoctions to take the place of beer, wine, whisky, and liquors of like nature, as intoxicants. This new phase of the liquor traffic was met in most states by adoption of a more comprehensive definition of liquors, designed to include these various substitutes for the ordinary liquors. The Alabama law declared that "any liquor, drink or liquid made or used for beverage purposes, containing any alcohol, shall be deemed an alcoholic

liquor." The West Virginia definition includes in its terms "all liquids, mixtures and preparations, whether patented or not, which will produce intoxication."

With the advent of national prohibition the Federal Government sought to prohibit the unlawful diversion of liquors authorized to be used for scientific, mechanical, medicinal, pharmaceutical, and sacramental purposes, by means of an elaborate system of permits. Liquors for such uses as the law authorized were manufactured, stored, sold, and transported under direct supervision of the Government. Medicinal preparations, toilet waters, hair tonics, rubbing alcohols, flavoring extracts, and all kindred ethyl alcoholic products were manufactured under regulations and upon approved formulas. By these restrictions it was sought to render such products unfit for beverage purposes, while at the same time their fitness for the legitimate use intended would remain unimpaired.

This has proved an impossible task. Not only does the drinker soon accustom himself to the pungency of extract of jamaica ginger, the peculiar flavor of bay rum, and the bitterness of quinine hair tonic, but he seems soon to acquire a preference for such "liquors." Then again, by dilution, by evaporation of the medicament, or by using some counteracting agent, these various products are quickly transformed into potent and potable intoxicating liquors..

In vain the Volstead Act denounces the sale of these preparations for "intoxicating beverage purposes," and provides that a sale for such purposes, or even a sale under circumstances from which the seller might reasonably deduce the intention so to use them, shall be subject to the same penalties fixed for the sale of intoxicating liquors. The countless preparations containing

ethyl alcohol that are manufactured under Federal permits, though supposed to be "unfit for beverage purposes," are easily substituted for the ordinary intoxicating beverages and are so employed. As the Federal supervision goes no farther than the manufacture of these products, and does not attempt the oversight of their sale and use, as in the case of medicinal whisky, pure grain alcohol, or sacramental wines, the way is open for the diversion of many of these preparations to use as intoxicating beverages. In fact the use or abuse of such products by the ultimate consumer must necessarily be under local police regulations and not under Federal control.

STATE PERMITS

Consequently, as a matter of self-protection, the states earnestly attempting the enforcement of their prohibition laws have had to resort not only to more comprehensive definitions of "liquors" than that adopted by the National Prohibition Act, but to turn to some form of supervision and regulation of the manufacture and sale of medicinal liquor, sacramental wines, and those various ethyl alcohol products manufactured under Federal permits.

In some states a system of permits for the sale of "liquors" for legitimate use is in effect. Perhaps the State of West Virginia has the most elaborate system designed for the supervision and inspection of all "liquors" authorized to be manufactured, sold, and transported into the State. The law, after defining liquors and excepting certain lawful uses thereof, provides

that no one shall manufacture, sell, keep for sale, purchase or transport any liquors, as defined in section one of this article and as herein excepted, without first obtaining a permit from the commissioner of prohibition so to do,

and then provides for the forms of the permits and fees therefor. These permits include authority for the purchase and use of pure grain alcohol in their professions by physicians, dentists, and veterinarians, the purchase and use of wines for sacramental purposes, and the purchase and sale of medicated and denatured alcohol and of all ethyl alcohol products manufactured under formula by Federal permit and coming within the State's definition of "liquors."

Virginia, Illinois, Iowa, Nebraska, Texas, and many other states have a more or less elaborate permit system designed for the control of sales for illegal use.

In twenty-one states, sale of medical liquor is forbidden. Numerous "biters" and "tonics," extract of jamaica ginger, "canned heat," and other products authorized by Federal law have been excluded from sale in certain states, and this has been upheld by the courts as permissible under the "concurrent power" clause of the Constitution, and in aid of the enforcement of the Amendment.

It is submitted that this method of inspecting and supervising the manufacture and sale of liquors for non-beverage use is peculiarly within the police power of the states and is one of the most effective methods they can employ in giving aid to the enforcement of the Nation's mandate against alcoholic beverages.

SCIENTIFIC TEMPERANCE INSTRUCTION

Frances E. Willard was the originator of the idea of scientific temperance instruction in the public schools of the Nation. Mr. Wickersham, in pointing out some reasons why prohibition has not succeeded as it should, deplors the fact that "the long course of demonstration of the evils of the use of intoxicating liquor that had led to the

adoption of the Eighteenth Amendment was abandoned" after the enactment of the Amendment.

In many states, the law requiring the teaching in the public schools of the nature of alcohol and its effects upon the body when used as a beverage remained upon the statute books, but its practical observance was generally neglected for the reason that people in the main calmly considered the liquor question settled. Other states repealed the law as obsolete. In West Virginia the compulsory teaching of scientific temperance, that gave the State prohibition six years prior to national prohibition, was repealed only to be reenacted in 1927, after the mistake of neglecting this vital method of supporting prohibition had become all too apparent.

It now seems to be universally conceded by those who have most carefully studied the question, that for the successful enforcement of these laws dealing with the age-long habit so deeply entrenched in our national life, there must be brought to bear, in aid of the physical power of the state, the resistless force of scientific education.

In practically all of the states, the law now requires instruction of this nature to be given in some form. In a few of the states, however, the observance of the law leaves much to be desired by its friends. Kansas, Nebraska, North Carolina, North Dakota, Oklahoma, and West Virginia are among the states most active in the observance of the laws for scientific temperance instruction. In these states such instruction is embodied in the regular courses of study. Ohio and West Virginia have each recently appropriated special funds for "educational purposes" in support of prohibition.

The somewhat belated return to this method of enlightening our future citizens as to the real nature and

effects of alcohol as disclosed by modern science lays the foundation for that intelligent public sentiment which is the one thing indispensable in the enforcement of the law.

EXERCISE OF POLICE POWER BY THE STATES

The foregoing methods have been specifically designated as a matter of convenience in discussing the different processes of coöperation, and for the reason that they lie mainly within the scope of the inherent police power of the states. This is especially true of the power of the State to enlarge the common law in respect to searches and seizures; to define and prohibit intoxication and public drinking; to punish the operation of automotive vehicles by drivers under the influence of liquors; and to make compulsory the teaching of scientific temperance in the public schools. And while the supervision and regulation of the sale of intoxicating liquors for non-beverage purposes has been surrendered to the National Government by the first clause of the Amendment, by the second clause of the Amendment the State may still assert its police powers in this direction, limited only to the restriction that the State may not legalize that which the Federal Government has forbidden.

In *United States v. Cohen* (268 Fed. 420) the Court said:

The effect of the Eighteenth Amendment was to give to Congress the same police powers to stamp out the manufacture, sale and transportation of liquor that the states had before the Amendment.

The exercise by the several states of their police powers in the manner and for the purposes enumerated is, therefore, in discharge of their "share of responsibilities" under the Amendment and in direct coöperation toward the enforcement of its inexorable mandate.

OTHER METHODS OF STATE ENFORCEMENT

Among other methods of enforcement employed by the most of the states in common with the procedure of the Federal Government may be mentioned the following:

(1) The setting up of special departments or officers for the enforcement of the prohibition laws. In Ohio and West Virginia a State Commissioner of Prohibition is provided by law, charged with general supervision of enforcement. In Virginia, Illinois, Missouri, and certain other states this duty is reposed in the Attorney General of the state. In New Hampshire and Wyoming the enforcement of prohibition is under the direction of a Commissioner of Law Enforcement. In South Dakota the chief enforcement officer is the State Sheriff. In Alabama the Governor of the State is made the executive head of the law enforcement machinery and "is charged with supervision and directing the enforcement of the laws of the State for the promotion of temperance and the suppression of the evils of intemperance." In Nebraska, also, the Governor is made the chief enforcement officer under the prohibition statute.

(2) In a number of states, including Alabama, Kansas, Ohio, Virginia, and West Virginia, special appropriations are annually made for the enforcement of prohibition.

(3) Almost every state enforcement code provides for the confiscation of automobiles and other vehicles employed as containers and conveyances of liquors contrary to law. These laws vary, but follow in the main the National Prohibition Act in declaring all automobiles, trucks, wagons, boats, and other vehicles found transporting liquors unlawfully, to be common and public nuisances, and providing by

various forms of procedure for their confiscation and sale.

(4) In most of the forty-two states having enforcement codes in effect, places habitually violating the prohibition laws may be proceeded against and abated as common and public nuisances, either by general law or by direct provision of the prohibition statutes. In the main, state laws follow the provisions of the Volstead Law, except that many of the states authorize a private citizen, as well as the State and local officials, to prosecute the action enjoining such public nuisance. This potent weapon for prohibition enforcement has been effectively used in all parts of the country. Under the laws of most states any community annoyed by the activities of illicit liquor dealers may, through its local prosecuting officer or upon complaint of a private citizen, abate such nuisance and recover the costs of prosecution from the offender. Violations of the injunction are punished by contempt proceedings regulated by statute in the different states.

(5) A goodly number of states seek to make the enforcement of their laws more effective and their officials more active and vigilant by the enactment of "ouster laws," whereby incompetent and negligent officials are summarily removed from office. In some states this may be done by the Governor of the state upon complaint or on his own motion. In other states ouster proceedings are had through the

ordinary processes of the courts, but may be inaugurated by private citizens. Their effect has proved beneficial in most instances.

STATES ARE DISCHARGING THEIR OBLIGATIONS

In view of the foregoing, it may be asserted that the states in the aggregate have contributed a system of laws that, viewed as a unit, fully discharges the obligations resting upon each commonwealth by virtue of the "concurrent power" to enforce, contained in the Constitution.

However, when the enforcement codes of the several states are studied individually and the provisions of each are measured by the ideal system constructed from the *corpus* of state legislation, it appears that a limited number only approach this standard. Some of the states lag behind with obsolete laws and antiquated procedure. Others have only partially covered the field of legislation in support of the Amendment. On the other hand, an encouraging number of our states have enacted apt laws covering the field of prohibition enforcement and have provided adequate funds and modern methods of procedure in earnest coöperation with the National Government. The roll of these states need not be called here. Their achievements are indicated in the state of society and the public sentiment toward law and order within their borders.

William G. Brown is State Prohibition Commissioner of West Virginia. He was the first commissioner of prohibition in that State, serving until July 1, 1926, and has now been reappointed to that office. Commissioner Brown has had long experience in the educational field and also as a practicing lawyer.

The Illegal Liquor Traffic¹

By E. P. SANFORD

SO LITTLE is definitely known about the operation of the Eighteenth Amendment and so much misinformation is published about it that a discussion of any phase of its operation, to be of value, must be predicated on facts; the terms used must be clearly defined.

The illegal liquor traffic, as it will be discussed in this article, consists of the manufacture, transportation, and sale of alcoholic beverages barred from traffic by the National Prohibition Act. The bulk of alcoholic beverages consumed in the United States at this writing consists of home-brewed beer and homemade wine, with a very small amount of home-distilled spirits. None of this liquor enters the illegal traffic as it is here perhaps somewhat technically defined. That traffic is confined largely to distilled spirits on account of their comparatively smaller bulk and relatively greater value. The sources of the traffic are primarily illegal distilling; a comparatively small illegal brewing business confined to large cities; together with a very small per cent of liquor smuggled into the United States from foreign countries.

The traffic is conducted by decentralized individuals or groups, with here and there a combination or ring operating in dense population. The mechanism of the traffic consists of a manufacturing plant, some method of transportation, delivery to customers, and in the larger centers of population, places where liquor is sold at retail,

known as speak-easies. Because the traffic is outlawed it is conducted *sub rosa*, so that in the cities in which violations are most flagrant, the traffic is under cover. Even the retail selling places are hard to find. They are known to the public only through word-of-mouth information, through membership in psuedo-clubs; or they appear as stores or restaurants, which solicit liquor business under the pretense of legitimate enterprises.

CITIZENSHIP OF VIOLATORS

The citizenship of violators based on an analysis of arrests by Federal officers for the last six months of the year 1931 offers an interesting picture. Of 48,935 known defendants, 38,623 were American born; 5,477 were naturalized American citizens; and 3,836 were aliens. It is unfortunate that no record has been kept of the American-born citizens that would show how many of these were of foreign parentage. From Italy came the greatest number of naturalized and alien violators, 1,560 naturalized and 1,172 aliens. Germany is next on the list, with 612 naturalized and 375 aliens. Ireland furnished 622 naturalized and 74 aliens. Russia and Austria are closely matched for fourth place, with Mexico, Canada, and Greece practically tied for fifth place. Native or naturalized citizens of 72 countries were arrested during the period. Australia, Chili, Colombia, Ecuador, Morocco, and Palestine each furnished one alien violator.

Table I contains interesting data of a similar nature for the first four months of 1932.

¹ The facts in this article are taken from the Bureau of Prohibition records. The writer alone is responsible for deductions made from them.

TABLE I—RECAPITULATION OF LARGE TABLE OF ALIENS AND NATURALIZED VIOLATORS—
JANUARY TO APRIL 1932, INCLUSIVE

	Number	Per Cent
Arrested Persons.....	34,071	100
U. S. Citizens.....	25,520	72.8
Naturalized.....	3,808	13.8
Aliens.....	2,407	7.1
Unknown.....	2,336	6.3

Percentage of ten Nationals Heading the list of Naturalized and Alien Violators

Nativity	Naturalized	Per Cent	Aliens	Per Cent	Total Aliens and Naturalized
Italy.....	1,147	30.6	800	33.5	1,947
Germany.....	471	12.3	101	4.2	572
Poland.....	300	8.0	168	7.0	468
Ireland.....	396	10.4	41	1.7	437
Russia.....	199	5.2	100	4.1	299
Austria.....	236	6.2	120	4.9	356
Mexico.....	41	1.0	222	9.2	263
Greece.....	107	2.2	110	4.5	217
Lithuania.....	70	1.8	65	2.7	135
Japan.....	2	0.5	121	5.0	123
All Others.....	839	21.8	559	23.2	1,398
Total.....	3,808	100.0	2,407	100.0	6,215

EXTENT OF ILLEGAL TRAFFIC

The problem of determining the extent of the traffic is a baffling one. The very fact that the traffic is illicit and hidden, leaves the field open to guesses, conjecture, and fantastic surmise; while the most careful research runs up blind alleys and into a maze of little less than speculation. Possibly a survey made by the Bureau of Prohibition in 1931 of the possible production of illegal alcoholic beverages during the fiscal year ending June 30, 1930 is as accurate a guess as has been made.

Sometimes it happens in a controversial field that an unpopular conclusion is for that very reason quite nearly true. The result of the survey referred to pleased no one. The dregs thought the amount of illegal liquor

that might possibly have been produced was too large, the wets thought it too small, and the conductors of the survey knew, because of the nature of the work, that its results could not be scientifically accurate. They took every precaution to qualify the final result by announcing that in the last analysis the survey was little more than a fairly accurate guess.

In making the survey, raw materials used to produce home-brewed beer, homemade wine, and illicit distilled spirits were examined. From the total production, imports, and exports of these commodities, amounts used in legitimate manufacture were deducted. It was assumed (and this is one of the weaknesses of the survey) that all of the indeterminate balance *might* have been used in the production of illicit alcoholic beverages. There is by no

means any assurance that all of this balance was used illegally. On the other hand it is not possible definitely to state that this balance was not used for the manufacture of alcoholic beverages; a situation which lends itself at once to controversy. The commodities surveyed were hops, grapes, barley, malt, malt syrup, corn sugar, cane and beet sugar, grains, and molasses.

The resultant figures showed that it was possible to have made 683,000,000 gallons of home-brewed beer, 118,175,000 gallons of homemade wine, and 73,000,386 gallons of distilled spirits. The first two items do not, according to our definition, enter into the illegal traffic in liquor. They are made for home consumption, and are very rarely sold or transported. That the third item considerably exceeds the amount that was made has been determined since the publication of this survey. Subsequent research has discovered many legitimate uses for the indeterminate balance of corn and cane and beet sugar that were unrevealed at the time of the survey.

It must be borne in mind that this survey had nothing to do with consumption of illicit beverages. No attempt was made to determine the amount of illegal liquor consumed. The inquiry occupied itself with an attempt to list quantities of commodities the use of which could not be accounted for in legitimate channels. A reasonable conclusion was that these amounts might have been used illegally. This is a problem full of difficulties—but simple as compared with any attempt to determine the amount of illegal liquor consumed.

COMPARISON WITH FORMER CONSUMPTION

Assuming that there was an approach to the facts in this survey, how does the hypothetical quantity com-

pare with known consumption in former years?

The year 1914 is conceded to be the last year before the enactment of the National Prohibition Act, of unrestricted manufacture of beverage liquor.

In that year there were withdrawn from bond, tax paid:

	Gallons
Malt Liquors.....	2,056,407,108
Wine.....	52,418,430
Distilled Spirits.....	143,447,227

or 22.66 gallons per capita of all forms of alcoholic beverages. Compared with these figures, the production in 1930 at its largest probable figure may have been about $33\frac{1}{3}$ per cent of the 1914 consumption figure. Wine and beer being homemade products consumed in the home and thus eliminated from the traffic, it is reasonable to assume that the actual traffic was not more than 3 per cent of the amount sold and consumed in 1914.

So much for the extent of the traffic. The nature of the traffic is clearly revealed in case reports coming to the Bureau of Prohibition at Washington from agents in the field.

WHERE VIOLATIONS OCCUR

Violations are classified as occurring in city residences, in country residences, on commercial premises, on farms or in farm buildings, in the open country, and in the course of transportation. By following the trend of violations it is possible to observe the violators' practices. Immediately after the passage of the National Prohibition Act, the greatest number of violations occurred in strictly commercial quarters, in transportation, or in the open country where it was difficult to locate stills. There has been an increasing tendency in recent years for violators to use dwellings for the manufacture, the storage, and at times the sale of

liquor in order to take advantage of the effectual protection afforded by the terms of Federal search warrants to the occupant of a bona fide dwelling.

At this writing, roughly speaking, about 40 per cent of the violations of the National Prohibition Act still occur in commercial buildings, 20 to 25 per cent in city residences, 10 to 15 per cent in transportation, 10 to 15 per cent in country residences and on farms, and 20 to 25 per cent in the open country. This percentage varies according to the section of the country under observation.

In the South and Middle West, violations in the open country are more numerous. Illicit distilleries are found in mountains and swamps and on river banks. In the northeastern part of the United States, on the West Coast and in more densely populated cities, violations occur in business premises and in residences. In cities, residences are increasingly favored by violators. Permanent injunction for

CHARACTER OF VIOLATIONS

The principal violations as listed in the National Prohibition Act are manufacture, sale, transportation, and possession of illegal liquor. To these may be added conspiracy and nuisance. In the United States during the last six months of 1931, about 28 per cent of the cases that entered court were based on manufacture; 18 per cent on nuisance; 18 per cent on sale; 24 per cent on possession; 11 per cent on transportation; and 3 per cent on all other charges, such as violations of the internal revenue statutes, resisting an officer, impersonating an officer, and owning an unregistered still. The practice in enforcement today is to attack the more important violators and the violations that lie at the source of the illicit traffic—manufacture and transportation. The relatively small amount of smuggling that is attempted is handled largely and very ably by the Coast Guard.

TABLE II—VIOLATIONS CLASSIFIED AS TO PLACE OF OCCURRENCE—U. S. BUREAU OF PROHIBITION RECORDS—OCTOBER 1931—FEBRUARY 1932

	Mfg.	Trans.	Nuis.	Sale	Poss.	Other	Total
Oct.....	2,342	915	1,346	1,867	2,182	237	8,889
Nov.....	1,929	681	1,138	1,336	1,917	185	7,186
Dec.....	2,252	955	1,214	1,534	2,000	148	8,103
Jan.....	2,235	775	1,181	1,134	1,608	124	7,057
Feb.....	2,107	789	1,458	1,344	1,712	95	7,505
Total Five Months	10,865 28.0%	4,115 10.6%	6,337 16.4%	7,215 18.6%	9,419 24.3%	789 2.1%	38,740 100.0%

the abatement of nuisances is sought to stop this practice. Property owners are scrutinizing tenants more closely in order to prevent violations on their property. They are including ouster clauses in leases, in order that violators may be evicted before the premises are closed by injunction for liquor law violations.

Organizations formed to deal in contraband liquor have followed the lines of legitimate business except that there is usually a "front" in the shape of a fictitious headquarters that may be ostensibly a brokerage or importing house. A firm of this kind may have office headquarters with modern office equipment and departments for im-

porting, manufacturing, transportation, and sale, and until discovered and put out of business, may operate over considerable territory, with sales manager, traffic manager, warehousemen, sales force, and bookkeepers. This is an exceptional set-up—more familiar in the early days of prohibition. Organizations of this character cannot continue long in business, as the very magnitude of their operation betrays them to enforcement officials and they are sooner or later broken up—the traffic disorganized and decentralized to supply local demands.

One of the largest so-called “rings” had its office headquarters for several months in New York City, with a working headquarters in the Jersey Highlands. It operated a fleet of vessels to smuggle liquor from foreign ports and had a radio station sending messages not only to ships at sea but also to branch offices in the country. It distilled and shipped liquor by trucks as far west as Cleveland, Ohio. The radio led to its detection. While the ring operated for over a year, it was finally broken up and its leaders sent to prison.

A more accurate picture of the stealth necessary for the operation of the illegal traffic can be gained from the character and the location of illicit distilleries. They are found in inaccessible places—at times in the bottom of wells, in caves, in tree tops, on islands, on river banks, in marshes, and in the mountains. Such distilleries are usually cheaply constructed, so that when they are discovered and the plants destroyed, the loss is not great. No still operates for any length of time. What the life of a still may be is a matter of opinion, but many experienced investigators think an average life of one month is a reasonable guess. Some very large and expensive plants estimated to have cost

many thousands of dollars have been discovered and destroyed at the time the first run of alcohol was made in them. Neighbors detect the characteristic odor of distilling and report it, or competing violators tip off the menace to their illegal trade, and the end of the distillery is the junk pile.

SPEAK-EASIES

The speak-easy is one channel for the retail sale of liquor in the larger cities. In discussing this phase of the liquor traffic a definition of the speak-easy is most important. This manifestation of lawlessness has been defined as “a table, two chairs, and a bottle of liquor.” A police commissioner of New York City stated that in 1929 there were 32,000 speak-easies in that city. Where his information came from and what steps he took to close these speak-easies, he did not reveal. One organization opposed to prohibition has analyzed all liquor arrests made in Washington, District of Columbia, and charted these on a map of the city, stating that speak-easies are operated at every address given by a violator who is charged with the sale of liquor. Such statements add to the confusion surrounding the subject.

A workable definition of a speak-easy, which has been applied for years to places violating liquor laws, long before the passage of the Prohibition Act, is a place where liquor is sold illegally more or less openly to the public by the drink or in bulk. In this category, at the present time, will fall night clubs, the “key” clubs, business men’s clubs, with admission first by card and after that through recognition by the doorman, and so down the scale to the water front or slum drinking places which use some similar method of admitting known patrons and keeping enforcement officers out. It may

be remarked in passing that all of these places operate in violation of state as well as Federal laws. Even in states that have no prohibition enforcement laws, nuisance statutes usually cover such violations.

That speak-easies are operating in cities is well known. That there are as many of them as is rumored is open to doubt. The local police of any city can in a short time, if they so desire, make an accurate survey of this phase of the illegal liquor traffic. The Police Department of Detroit, Michigan, did so recently.

In March 1931, the Detroit Precinct Police Inspectors were ordered to conduct a survey, giving the number and the location of premises suspected or being used at that time for dispensing intoxicants. In April they reported 1,561 such suspected premises. The owners of the properties were notified of the suspicion and given an opportunity to oust tenants before injunction proceedings were started. In the meantime criminal actions were started against the operators of speak-easies. In August a re-check of the list reported in March was made. In 517 cases, property owners had caused the premises to be vacated. In 199 no effort had been made by owners to eject tenants, and in 685 cases there was no apparent abatement of the nuisance. One hundred and fifteen suspected places were found to hold city licenses for the sale of near-beer. At the end of the August check-up, 884 suspected places were still occupied and apparently violating State and city laws. This is a definite record in a city of 1,570,000 population.

The report of the Police Department states:

The difficult part of any survey made to determine the number and location of blind pigs is that the list cannot be kept up to date. This last survey fairly indi-

cates just how far property owners co-operate with law enforcement agencies towards the enforcement of the prohibition laws, viz.: 880 property owners did not even respond to our letters. However, since the last survey was made we have ordered our precinct inspectors to keep, in so far as it is possible to do so, an up-to-date list of known blind pigs and places where they have cause to believe liquor is sold either intermittently or regularly.

This is one of the most reliable surveys of the speak-easy situation in a city that has been made.

In April 1932, the Prohibition Administrator at New York made a survey of the speak-easies in the Borough of Manhattan. The distinct feature of the plan was the careful tabulation and mapping of all places where it was concluded upon the best information available that intoxicating liquors might be sold. The survey showed 3,494 places of this nature, 2,182 speak-easies, 927 restaurants, 286 cordial shops, and 119 night clubs.

FEDERAL AND STATE SEARCH WARRANTS

It has been pointed out that the use of residences by violators for the manufacture and sale of liquor seems to be increasing. The violators are taking advantage of the greater technicalities of a Federal search warrant in the hope of causing Federal officers more trouble in obtaining evidence of violations. In practice, it frequently develops that this reasoning is correct. Federal officers do not have the latitude of search that facilitates the operations of State officers using State warrants. Where coöperation exists between State and Federal officers, this ruse of the violator does not hamper enforcement.

The Federal law of search and seizure based on the Fourth Amendment of the Constitution, which has been jealously

guarded by both Federal and State Courts, is as follows:

Section 3—A search warrant cannot be issued except upon probable cause supported by an affidavit, naming and describing the person and particularly describing the property and place to be searched.

Section 5—The affidavit must set forth the facts to establish the grounds of the application or probable cause for believing they exist.

Section 15—If the grounds on which the warrant is issued are controverted, the judge or commissioner must proceed to take testimony in relation thereto, and the testimony of each witness must be reduced to writing and subscribed by each witness.²

It is frequently difficult for a Federal officer to buy liquor in a residence, or to secure enough evidence to justify the issuing of a warrant.

To illustrate the greater liberality of a typical state search warrant, reference is made to the warrant used in the State of Nebraska.

If any officer of the county or state, or any creditable resident of the county makes a complaint before any city, county, or state judge, or justice of the peace in writing and on oath that he has reason to believe and does believe that any intoxicating liquor in the county in any place described and unlawfully owned or kept by any person as described, or is intended to be sold, or is being manufactured, sold, or kept for sale or in violation of the act, said magistrate shall issue a warrant for the search of the premises described.³

The liberality of this writ is marked in comparison with the strictness of the Federal writ. The use of a resi-

² Act of June 15, 1917, Revised Statutes 40, p. 228.

³ Laws of 1921, Chap. 156, Sec. 7.

dence for liquor law violations does not bring immunity from the service of such a warrant.

SUPPRESSION OF THE TRAFFIC

While it is difficult to measure with scientific exactness the extent of the illegal traffic, there are many bits of evidence, or imponderables, that cause the observer to conclude that open, public drinking has practically disappeared and that therefore the traffic must have been at least lessened, even if it has not been entirely suppressed.

Coöperation of many kinds, some of it not wholly altruistic but none the less effective, has resulted in keeping the traffic in check or driving it under cover. Railroads carefully inspect suspicious freight and notify enforcement officers of suspected contraband. Railroads will not permit drinking on trains. The Pullman Company will not permit open drinking in its cars. Real estate boards and property owners by eviction clauses in leases protect themselves and make it increasingly difficult for the violator to get quarters from which to operate. Civic agencies strive to suppress the illegal traffic in many cities. The chemical and allied industries have largely voluntarily stopped the diversion of industrial alcohol into illegal channels. Local traffic authorities, fearful of accidents caused by intoxicated drivers, are deterrent forces. Hotel proprietors discourage the use of liquor in living rooms and generally prohibit its use in dining rooms.

These forces cannot be measured and set down in statistical array, but no one will gainsay that they are at work in lessening the traffic and helping to drive it still farther under cover.

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The Drinking Habit

By RUFUS S. LUSK

NATIONAL prohibition has made no noticeable difference in the amount of alcoholic liquor consumed. There is just as much liquor being used today as before prohibition; indeed, the absolute amount of alcohol that is being drunk is probably greater. Prohibition always increases the consumption of liquor. This statement, which to some may be startling, is easily proved by a study of actual liquor consumed per capita during different periods of our history.

Before prohibition, the amount of liquor used is readily determined from the records of the Bureau of Internal Revenue. Let us take, for example, two years, 1890 and 1917. Eighteen-ninety was the peak of our second prohibition wave. At that time about 25 per cent of the population lived in dry territory, and approximately the same percentage of the land area of the United States was likewise dry. In 1890 the average per capita consumption of all liquors, including beer, was 13.21 gallons. In 1917, which was about the peak of the third prohibition wave, 89.6 per cent of the land area was dry and 64 per cent of the population lived in dry territory; but the consumption of all alcoholic liquor that year had increased to 20.20 gallons per capita. Although over twice as many people lived in prohibition territory as in 1890, the consumption of liquor had increased about 50 per cent and these figures show only the liquor that was legally manufactured. As soon as prohibition is clamped down on a community, the illicit trade immediately starts up.

We have no way of finding out the

actual consumption now; our figures are based entirely upon estimates. These estimates vary from that of the Director of Prohibition, Colonel Amos W. W. Woodcock, of some eight hundred million gallons to that of the Association Against the Prohibition Amendment of some eleven hundred million gallons.

While the consumption of liquor has not changed materially, the manner in which it is used, those who use it, and the kind of liquor now being drunk have changed radically.

THE CHANGE TO HOME-BREW

Prohibition has turned America into a nation of hard liquor drinkers. We never were a beer drinking or wine drinking nation in the sense that Germany and France prefer beer and wine. Even so, from the best available figures, the consumption of beer since prohibition has been cut two thirds. People who have a memory of the delightful taste of Budweiser, Pilsener, and other beers cannot force themselves to drink home-brew. It is impossible, with home equipment, to make good beer. But it is possible to distill whisky at home, and there are many home stills. It is also a simple task to make fairly palatable wine in the home.

The production of wine of high alcoholic content is probably greater today than previous to prohibition. Practically all bootleg rye and scotch is simply alcohol colored and flavored, but many are willing to pay a fancy price for a fake article. In the Southern States, corn is the favorite drink, which, despite its bad taste and nasty odor, is held in high esteem by many.

In the National Capital, Maryland rye is much in favor. This is distilled in St. Mary's County, about sixty miles below Washington. This liquor, when kept six or eight months, compares favorably with pre-war rye and is much enjoyed by those who have some appreciation of good whisky, particularly when made into a mint julep.

More gin is consumed than any other hard liquor. It is the easiest to make and the cheapest to buy. At the present time, gin in small quantities is available in most large cities at not over two dollars a quart; in large quantities, when the buyer purchases the alcohol, mixes it with water, and adds the necessary drops, a satisfactory imitation of Gordon gin can be made for as little as 50 cents a quart. This is what this means: A quart of gin makes eighteen drinks; at 50 cents a quart, each drink costs less than 3 cents. Allowing for the necessary ginger ale, the home manufacturer can have three highballs for a total cost not to exceed 21 cents. After twelve years of prohibition, a highball is cheaper than a glass of milk.

LOWERED STANDARDS OF DRINKING

It is natural that the country should have turned to strong drink. It is easier to handle; it gets quicker action. Among people of culture before the Volstead era, much thought was given not only to the kind of liquor used under various circumstances, but also to the manner in which it was used. It was considered bad taste to serve cocktails after dinner, just as it was poor taste to serve a highball when guests arrived. A certain wine went with the fish, another with the meat course. A host would no more think of serving cocktails late in the evening than he would think of wearing a black tie with a tail coat. This is all changed now; people drink not to en-

joy the actual drinking, but to get more or less drunk as quickly as possible. Gin, known as a "nigger drink" before the war, is taken neat. And this barbarous swilling is done by those who should know better—people who in other things are governed by good taste and high standards of cultured living.

So much bay rum is consumed for beverage purposes that gathering up the empty bottles in the poorer parts of some cities has become a problem. Many drug stores feature it on their display counters in quart bottles. Bay rum formerly was sold in half-pint bottles; it is purchased by the quart solely to drink. There are many different brands of legalized wines, containing as much as 22 per cent alcohol, which are sold in drug stores. So as to comply with the law, these wines contain a medicament. Some drinkers do not mind the medicinal taste and are regular users of such wines. There are untold thousands who drink "canned heat"; the alcohol is extracted by pressing the "canned heat" in a handkerchief. This is vile stuff and is very deadly. So many persons have become poisoned from drinking adulterated Jamaica ginger that they have formed an association in an effort to force the Government to pay them damages because they have been crippled for life.

Under prohibition, this kind of drinking is an everyday occurrence. There is a regular and quite large trade in bay rum, "canned heat," Jamaica ginger, vanilla, and perfume, all of which are used as beverages. Because they cannot get hard liquor at a price they can afford to pay, drink addicts take any substitute that will give them the desired effect.

SPEAK-EASIES AND BEER FLATS

Where do people drink today? Practically everywhere. In all cities

of any size, there are speak-easies. In the larger cities, such as New York, many speak-easies are practically open bars; some are open bars. There is a beer saloon on Fifty-first Street where any one may walk in and buy potent and potable beer for 25 cents a stein. Ten waiters work at a furious pace to serve the thirsty customers. Most speak-easies, however, require that the customer be known. It is not difficult to get a card of identification. The old-time saloon on the corner with its swinging doors has disappeared; it has been replaced by the new-fashioned saloon which is in the middle of the block, behind a tailor shop or upstairs over a store. But a saloon under any other name is still in the same business—selling liquor at a profit. Some of these new saloons are bare and rudely furnished, but the high-class speak-easy, as represented by the New York night clubs, has provided more sumptuous bars than were ever known in the days of legalized liquor.

How many people patronize a speak-easy, no one can know. The number must be great. It has been estimated that there are thirty-two thousand speak-easies in New York. If an average of only ten people visit each one daily, over a quarter-million of that city's inhabitants buy a drink over the bar every day. The police of Washington, where prohibition is probably better enforced than in any other city, discovered some sixteen hundred different places where liquor was being sold during 1931. An investigator for the Wickersham Commission estimated that there were three hundred thousand speak-easies in America.

In many cities, Cincinnati for example, there are what are known as "beer flats." A beer flat is a room or two in an apartment where beer is served by what are known (for want

of a better name) as "beer mamas." Thousands of these places exist in cities where beer formerly was drunk in considerable quantity, and they give the police more trouble than speak-easies.

PRIVATE SUPPLIES

Previous to prohibition, most homes contained no alcoholic liquor. Certainly, comparatively few contained any hard liquors. Today, almost every home has its liquor supply closet. Guests expect a drink and do not hesitate to ask for one if it is not promptly brought forth.

Whoever saw a bottle of liquor in a man's office, prior to 1920? The practice of taking a drink in offices is so common today that every office furniture house has an ample supply of specially constructed liquor cabinets for the tired business executive. The sale of these cabinets, even during the depression, has kept up steadily.

In restaurants, which do not sell liquor, there is considerable liquor used via the hip flask. In some eating establishments, as soon as one is seated, set-ups—a highball glass containing ice cubes—are immediately set before the customer.

Drinking in hotel rooms is so common today that hotels, in order to protect their furniture, have been forced to install built-in bottle openers on the medicine cabinets. The following quotation, taken from the testimony of the attorney for the American Hotel Association before a Senate Committee, sums up this condition:

We found after a while that our furniture and rooms were being damaged and destroyed by those who sought refuge from this [prohibition] law behind the guest's door, and up to date we have not been able to get an absolute cure. We have to thank the ingenious mind who developed that combination corkscrew bottle opener, which

may be fastened to door jamb in the bathroom or otherwise. Whether you or I use a bottle or flask, we cannot take the corkscrew away. This is the only relief which the disasters of the Eighteenth Amendment has brought upon us that we are enjoying.

At most conventions, private bars for the use of those attending the convention are set up in hotel rooms. The elimination of the hotel bar and serving of liquor in the dining rooms has forced the drinking into the privacy of the various rooms. Some hotels make a pretense of not conniving at violation of the law. When ginger ale is received by a guest in a certain large New York hotel, he finds on the bottle a printed statement that the ginger ale must not be used with alcoholic beverages. But a spoon comes with the ginger ale. Trusting souls probably believe the spoon is used to stir the ginger ale—not a highball.

It is common knowledge, as reported in the press every day, that a great deal of drinking is done in automobiles. Some people do not care to go to a speak-easy or may not know of one. They ride into the country, park, and drink from hip flasks.

Since the advent of prohibition and the introduction of the hip flask into almost universal use, a man becomes a peripatetic bar. It is possible then to have a drink under almost any circumstance and in almost any place. The manufacture of hip flasks is one of the businesses that has boomed on account of prohibition. It is not necessary to quote the figures, if they be available, of the increase in this industry; a glance in the windows of department, drug, and five-and-ten-cent stores displaying such wares will indicate the number of these articles being sold. Did any one ever see a whole window in any store, prior to prohibition, given over to the display of flasks, cocktail shakers (sometimes

piously called "beverage mixers"), and elaborately fitted traveling cases for carrying liquor?

DRINKING AMONG WOMEN AND YOUNG PEOPLE

Drinking among women and children, since prohibition, is the most marked change in the drinking habits of the Nation. Under the influence of teaching and example, America was becoming a sober nation until the advent of the dry law. Today it is considered the smart thing to take a drink, particularly among young people; before the war, men and women were looked up to who practiced total abstinence. The subject of having a drink was never discussed among young people; there was little drinking among them. This is no longer so. Whether or not their children drink is the principal worry of many parents who have sons in their teens and daughters of the débutante age. The following instances, which are true, are cited as typical examples.

At a recent party in Washington, the young daughter of a well-known dry politician was so drunk that she had to be carried from the house. A young girl in writing to a friend said, "Tom is visiting us and he has the best corn I ever tasted"; this from a seventeen-year-old girl, of fine family, and educated in one of the best finishing schools in the country. Recently a mother stated she could not call her daughter to the 'phone at noon, because her child had such a hang-over from a party the night before that it was impossible for her to get up. Young girls have been photographed at parties when they were so drunk that the negatives would be destroyed; the pictures showed all too plainly the condition of the subjects.

Most speak-easies, particularly those of the better class, serve women as well

as men. No women were ever seen in saloons of the old era; they did not stand at the bars of even the cheaper class saloons. It is true that some lower grade saloons had back rooms where women might go. Barrooms catered to men, and men only. Nothing is thought today of women and girls standing at the bars of the new saloons and taking drink for drink with their male companions.

The proceedings of the Wickersham Commission provide evidence of a startling nature of the present-day drinking among children. Some of this evidence consists of the opinions of various officials; much consists of cold statistics of arrests for drunkenness of boys and girls. The drinking among young people has probably bothered the Drys and the Wets more than any other result of the experiment to make a nation sober by law. Any one who has his eyes open knows that young people are drinking more today than prior to 1920. A coming-out tea at which tea is served instead of cocktails is considered a "flop," and the stupid "deb" who permits such a *faux pas* is branded a complete "wash out." Hip flasks flourish at dances, picnics, and excursions.

A mature person usually knows his capacity to drink; young people do not. Boys and girls drink because of the novelty and adventure of the experience. They do not know the effect of strong drink; in consequence, they are drunk before they realize it.

A CASE IN POINT

It is not necessary to enumerate here the thousands of cases as reported in the daily press of the tragedies that have resulted from drinking among young people. The following may be an exaggerated case, but it is cited by a man who has tried thousands of young people on charges of drunkenness.

This statement was made by the Honorable Martin L. Sweeney, Congressman from Ohio and formerly a judge in Cleveland, in his testimony before a Senate Committee.

I could say something of things today known to you men. There is one incident which I happen to know about: . . . the case of a certain very prominent legal practitioner in our city [Cleveland], Mr. Graves, who has as a client a very wealthy man, a manufacturer. One morning about 7:45 he was found at the threshold of his office, and Mr. Graves said: "What brings you here so early?" Well, the result was that his client told him about his young daughter, Margaret; that he had given her a coupé to run around the city in, and that he happened to get up early one morning about 5:30, and did something that he had never done before. Going out to the garage where the car was kept, he opened the door of the coupé and was amazed to find in the coupé a bottle of liquor and a device to prevent conception. His client told her good mother what he had discovered and at the breakfast table they put it bluntly to the girl and asked her if she was drinking liquor and she said, "Why, Daddy, don't be so old-fashioned."

STATEMENTS FROM RECORDS OF WICKERSHAM COMMISSION

Drinking conditions among children and young people were studied carefully by the Wickersham Commission. The following statements are taken from the official records of that Commission.

The Federal Director of Prohibition in North Dakota states: "We have drinking by high school students. I would say that we have more drinking today by these youths than we did ten years ago, before prohibition."

And in nearby South Dakota, the Attorney General says:

There is a strange psychology about this liquor problem that makes it doubly significant. It is beginning to affect a different type of person than it did before.

Now it is the youngster of the family of means who is totting the bottle to do it. And they rush about in cars. It is one of the most menacing phases of the whole situation.

The Chief of Police of a small Indiana town reports:

Boys and girls under the age of sixteen years are lectured and sent home and there are many cases of boys and girls drinking alcohol, mule, Jamaica ginger and some homemade concoction.

And a Pennsylvania police head of a city of about 100,000 population has this to say:

There is more drinking of intoxicants today by minors than ever before. This drinking by young folks is carried on at private dances and parties where it is usually brought in hip flasks. I also know of instances of mere schoolboys having been taken from the schoolroom intoxicated.

It is to be noted that these authorities are in small cities; the drinking among young people is not confined to larger centers of population or to so-called "smart people." There is drinking among the middle classes and among the very poor. The stenographer and the five-and-ten clerk imitate their smarter sisters in the social register. One drinks gin from the bottle; the other, cocktails poured from a silver flask. The results are similar. A social registerite may be carried to her car, while her less fortunate sister lands in the police station.

WHAT THE CHIEFS OF POLICE FIND

In Omaha, the head of the Committee of Five Thousand, a welfare organization, makes this statement: "We know about the drinking of children in and out of school. We have no illusions about that." And in Cheyenne, Wyoming, the Chief of Police says: "The kids drinking is something.

I think that didn't happen so much before."

Kansas has a reputation as a dry state, but this is how the Chief of Police of Topeka describes conditions among young people:

There is a phase that we have never had to deal with before, the drinking of young girls and boys and their being brought in frequently for driving automobiles while under the influence of intoxicants. It was something that we never experienced before prohibition. They've just got to think that it's the smart thing to do. They don't think they are "regular" unless they are half shot. The girls simply won't go out with the boys who haven't got flasks to offer or don't know where they can get intoxicants, and the real popular fellow is the fellow who knows most places where it can be obtained. And these barn dances; they are not what they used to be. They will erect a platform out in the country or in the environs of the city and the boys and girls gather in droves, and soon out come the bottles and pints and flasks and they get beer and "spike" it with their alcohol. There are always dozens of drunks around these affairs. They used to be more innocent things.

The Chief of Police of Boise, Idaho, says: "Young girls are going out and getting drunk with young boys in numbers and with a persistence such as we have never seen nor heard of before."

CONCLUSION

Before prohibition, drinking was confined mostly to men; today, women and children, particularly children, have taken to strong drink. Before the war, there was little drinking in the homes and practically no home manufacture of liquor; today, many homes are saloons where liquor is not only consumed, but also manufactured; the Volstead Act specifically permits the manufacture of wine in the home.

The drinking of hard liquor has increased until the country has lost its taste for good beer and wines. Three speak-easies have sprung up in the place of each licensed saloon. Indeed, drinking is done almost everywhere by almost everybody.

Prohibition has materially affected American drinking habits but has not lessened the amount of liquor consumed. People are drinking different stuff and under different conditions, but they are drinking as much alcohol as they ever did.

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Prohibition and Mortality and Morbidity

By HAVEN EMERSON

THE debate between users and non-users of alcohol has been long, and the end is certainly not yet in sight; but the road to agreement is not impassable, although it is uncommonly rough and steep and is beset by many obstructions. The surest aid to common understanding is in the fact that even prejudiced humans do pay attention to evidence. Prejudice we must take for granted, as none of us is free from it, at least in the sphere of social habits and dietary customs.

It is not so much that evidence of harm from the abuse, and even in the moderate or so-called temperate use of alcoholic beverages is more abundant, more exact, or more convincing than in former generations, as that we are today faced with a more compelling series of choices as to our conduct of individual and communal existence. If we are to continue the trend of the past half-century towards fewer offspring, a smaller but more secure child ratio to total population, then security of life, a greater life expectancy, and less interruption of life by preventable illness all become more dominant desires and more urgent social objectives. If we would harness power and speed to achieve material production, transportation, and recreation, as it is within our means to do, incomparably more effectively than ever has been possible in past history or among other races or nations, there are concessions demanded of us in the interest of each other which the robust individualist is loath to make.

It behooves us to look backward into past experience, note the facts of record of our own day, weigh and measure the

evidence, and seek to understand the trends and tendencies which may reveal themselves, all for the very good object of sparing our descendants some, at least, of the mistakes we have made, and perhaps replacing experiment for them by our own experience.

INDIVIDUAL EXPERIENCE INSUFFICIENT

The nature of the evidence of injury to health and premature interruption of life resulting from the use of alcoholic beverages includes individual and collective experience. With the former we are not at present concerned except to recall that observation has been widespread and of long duration, even back into earliest human history, to the effect that immoderate use of liquors has befuddled, sickened, and killed, and yet that there have always been persons of such moderate habits as to conduct their lives healthily even into old age, while using alcohol temperately as a regular element in their diet. If this were the whole story, we should but be repeating the tale of other gluttonies of the flesh in relating that moderation leads to health, and excess to destruction.

Just as one physician or one parent or child rarely includes in his experience enough instances, variants, and exceptions to give a rounded view of the happenings of life and death which is comprehensive and entirely true, so a community or population may find itself at fault in understanding the facts as they accumulate over the ages, from the brief records of a generation or a period. Mass experience becomes increasingly valuable as it offers compari-

son between the long past and the present, to permit a clearer vision into the probable future.

Collective evidence on the morbidity and mortality due to alcoholism is to be found in the reports of life insurance companies and in governmental vital statistics, whether these be based simply on mortality returns, or reflect the experience of hospitals and other organized services for the sick.

COMPARATIVE MORTALITY OF ABSTAINERS AND NON-ABSTAINERS

There is one simple and to-be-expected conclusion which can be drawn with confidence from the accumulated data of many nations; namely, that general mortality and morbidity are less as the consumption of alcohol falls, and that damage to health and reduction in life expectancy, whether according to race, sex, age, or occupation, is greater as the per capita use of alcohol rises.

There is no exception to the observation that the mortality among abstainers from beverage alcohol is lower than among non-abstainers when corrected for age and sex, and that total abstainers on the average live longer than non-abstainers. Part of this advantage of the abstainers may possibly be attributed to the differences of temperament and of habit in other respects between the two classes of individuals, the abstainers tending to abstemiousness in diet and in respect to other essential hungers.

If the abstainers as a favored class are rated as 100 on the basis of their mortality, the rate for temperate users of alcohol will be found to be about 142. Or again, if a man of 35 years of age has an estimated further expectancy of life of 32 years as an abstainer from alcohol, his fellow of 35 who uses alcohol temperately will show an expectancy of but 28 years—apparently a preventable

shortening of life of four years for men who have attained middle age. We find in American experience within the present generation that the mortality rises above that of abstainers in proportion to the extent of the use of alcohol, to 122 among occasional users of alcohol, to 142 among temperate, and to 212 in so-called moderate steady drinkers, compared with 100 among total abstainers.

Or, putting the experience in another way, we find a mortality of 111 among occasional moderate users of alcohol, 130 among regular users of beer, and 181 among regular users of spirits, the favored group of non-users standing at 100.

So we find in the temperance section of a Scottish life insurance company a reduction of the excess mortality over that of the total abstainer class with the reduction in per capita consumption of alcohol in the past fifteen years, the comparative mortality for the temperance section being

128 in 1913-17
111 in 1918-22
100 in 1923-27,

and in the general section in the same company as compared with total abstainers, a comparative mortality of

155 in 1913-17
126 in 1918-22
113 in 1923-27.

Similar changes have occurred in England, where also the consumption of beverage alcohol has fallen notably in the past ten years.

Men who are exposed to an easy access to alcoholic beverages at little cost show uniformly higher mortality rates than do the general run of employed men of the same age. We find that in England and Wales saloon keepers have a 75 per cent extra mortality; men working in hotels with

bars a 53 per cent excess rate; and those employed in restaurants with bars, brewery employees, and workers for wholesale liquor houses show a 52 per cent, 35 per cent, and 22 per cent excess mortality respectively. Daily users of alcohol from moderate to excessive according to their own testimony, show excess mortalities of 18 per cent to 86 per cent. If there is excessive use to the point of intoxication not more than three times a year, the excess mortality may be as high as 331 per cent.

ALCOHOL CONSUMPTION IN UNITED STATES SINCE 1920

The outlawing of general commerce in beverage alcohol in the United States has interfered with any reasonably accurate estimates of the per capita consumption of liquors since 1920, and we are not therefore in the same favorable position as are some other nations to correlate changes in mortality with changes in the beverage use of alcohol. However, there is no probable reason to presume that there has been a sudden alteration in this country in the effects of alcohol on man, contrary to past experience here and still current experience abroad, so far as the amount and kind of sickness and the death rates are affected by the amount of alcohol consumed in drinks.

Improvements in general mortality are due to too many factors to permit us to explain all the gains in life and longevity since 1920 in the United States by reduction in the use of alcohol. The trends in our population have been for some time towards a higher age grouping and towards stationary numbers, which means an adjustment upwards of our general death rate and downwards of the birth rate. Nevertheless there has been a falling death rate since, as well as before 1920, indicating a saving of about 11,400 lives a year. Analyses of these savings

show quite clearly that the greatest gains have been among children of both sexes and women at practically all ages, certainly up to 55 years. Among men the reduction of mortality disappears by 45 years of age, above which period there has even been a rise in the general death rate.

Among the causes of this betterment for the great majority of the population are probably the very considerable reduction in the number of persons regularly using alcoholic beverages, the preponderance of egregious violators of the law among male habitués of the decades after middle life, and the general rise in the standard of living among the wage earners of the population (at least up to the end of 1929), where the money formerly spent for alcohol has been diverted to better housing, clothing, and food, benefiting more particularly women and children.

It is to be particularly noted that in the past three years of economic depression we have experienced a favorable general mortality of marked degree. It must be obvious that if 5 to 10 per cent of wage earners' incomes had been spent for liquor during this period, or a similar proportion of the family budget given for assistance to the unemployed, as was common practice and experience previous to 1920, instead of for foods suitably proportioned to family needs, we could hardly have had such a continuance of good national health throughout so unfavorable a period, from the point of view of wage earners' incomes. A great part of the \$2,500,000,000 formerly spent for liquors each year in the United States has apparently been diverted to expenditures more likely to establish and secure good health to women and children and young men.

It is a matter of some concern to our people that while the reduction in the use of alcoholic beverages in England

since 1918 has been striking and encouragingly persistent, the easy access to beer by the laboring class still constitutes a drag on considerable groups. A recent report of the Liquor Control Board of Great Britain includes statements as to the amount and the cost of beer used by the 120,000 people of Bermondsey, a laboring class residential section of London where four times as many gallons of beer as of milk are bought annually. While the total use of milk by this population group amounts to only one pint a day for each of the 39,000 children, the money spent for liquor is about 25 per cent of the average family wage earnings, and amounts to more than the expenditures of this population group for bread, butter, milk, housing and rents combined. There is certainly no community of similar size in the United States where so unsuitable a proportionate distribution of wage earners' income prevails, and it calls for little imagination to realize what a change it would make in wage earners' families here and now if unlimited access to beer or other liquors resulted in any such diversion of wages from foods and other necessities to any form of alcoholic beverages.

EXPERIENCE OF SEVERAL EUROPEAN COUNTRIES

Among the persuasive evidence of improvement in general mortality following a reduction in the use of alcohol by a population group is the series of papers by Bandel of Nürnberg, and Hindhede of Denmark, both of whom find consistent reduction in the excess of male over female mortality when alcohol consumption falls.

It has been common experience, at least among modern industrial nations and particularly among city dwellers, that the general mortality of males considerably exceeded that of females

for each five-year period between 15 and 65 years of age. This has been generally attributed to the greater hazards of work, exposure to industrial poisons and to emergencies of weather, and so forth, against which women are more commonly protected by law or by the habits of employment. The correlation between reduction in alcohol consumption and a diminution in the excess male over female mortality had not been observed until Dr. Rudolf Bandel, a school physician of Nürnberg noted the fact in the experience of German cities. His conclusions seem to have been confirmed by the studies of others, especially by those of Hindhede, who reports the same facts from the experience of Denmark. Between 1890 and 1921 in Copenhagen the excess male mortality for four decades of life fell as follows:

TABLE I

Age	1890-1899	1918-1921
25-34.....	143	118
35-44.....	179	117
45-54.....	183	136
55-64.....	185	136

The per capita consumption of alcohol in terms of litres of pure alcohol fell from 8.7 in 1890-99 to 2.5 in 1918-21, and in terms of litres of strong liquor consumed from 13 in 1890-99 to 1 in 1918-21. Between 1903 and 1924 an excess male mortality of 39 in persons 26-35 years of age fell to zero, the mortality being equal in both sexes in the years 1923 and 1924. In the same interval the excess male mortality at ages 36-45 years fell from 61 to 16, that at 46-55 years of age fell from 80 to 11, and that at 56-64 years of age fell from 85 to 44.

Entirely similar has been the experience of Belgium, Switzerland, and Bavaria.

Remembering that among the indirect results of alcohol used in more than moderate amounts is a reduction in resistance to respiratory infections, particularly pneumonia, we are not surprised to find that with lowered alcohol consumption in certain German cities between 1909 and 1914, and 1922 and 1925, the excess male mortality from pneumonia and tuberculosis fell.

It appears that the number of suicides in which alcohol is a factor, and of deaths from mental disease attributed to alcohol, regularly falls with reduction in the use of alcohol in a nation, as in Bavaria between 1911 and 1918, where the percentages of suicides with an alcoholic factor fell from 5.2 in 1911 to 2.8 in 1913, to 0.43 in 1917, and to 0.29 in 1918.

In England and Wales deaths of infants due to smothering by drunken mothers overlying the children in bed at night fell

from 1.39 per 1,000 births in 1911					
to .94	"	"	"	"	1916
.59	"	"	"	"	1921
.57	"	"	"	"	1926
.55	"	"	"	"	1930.

The consumption of alcohol in Great Britain in terms of litres per capita per annum fell from an average of 9.67 in the years 1906-1910 to an average of 6.16 in 1920-22.

The extent to which alcoholism may affect the mortality figures of a country where alcohol is liberally used and universally accessible is seen from the records of confidential death reports in Switzerland, where 7 per cent of all male deaths and 1 per cent of female deaths are found to be associated with alcoholism, and 11 per cent of accidental deaths among males and 3 per cent of those among females are associated with alcoholism.

Where large groups of the civil population receive medical care on some such insurance scheme, as pre-

vails in Germany, it is regularly found that when the frequency and the length of sicknesses among those of alcoholic habits are compared with sickness in the total membership, the alcoholic beneficiaries show a marked excess in both the occurrence and the duration of illness, ranging from 48 per cent to 170 per cent more than in the total membership.

EVIDENCE OF REDUCTION OF ALCOHOL CONSUMPTION SINCE PROHIBITION

We have not exact information for the United States as to the reduction of alcohol consumption which has undoubtedly occurred (though unevenly as far as classes of population and states of the Nation are concerned) in the past ten years as compared with the immediate and earlier pre-prohibition periods; but we cannot fail to be impressed with the changes in relative male and female death rates which so closely resemble those found to have accompanied reductions in alcohol consumption abroad.

For instance, comparing male and female mortality in the original registration states, New York, New Jersey, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, Michigan, and Indiana, where in the main, "wet" opinions and practices have particularly prevailed, we find that from the pre-prohibition period 1911-17 to the period 1921-29, the excess male over female general mortality has fallen for each age group from 20 to 55 years of age. The same change has occurred among white industrial policyholders of the Metropolitan Life Insurance Company in the ages 20 to 64, to a greater degree than has been the case in the general population of the original registration states.

This is very good circumstantial evidence that reduction in the consumption of alcoholic beverages has occurred

in the United States since prohibition, although we lack data permitting a quantitative estimate of the amount of this reduction.

If one were still uncertain as to whether there had been a substantial reduction in the general consumption of alcoholic beverages in the United States in recent years, even among those addicted to excessive use to the point of either acute or chronic intoxication, the comparison of the death rates for acute and chronic alcoholism and for cirrhosis of the liver, at least 50 per cent of which is certainly primarily of alcoholic origin, should prove convincing.

For the population of the expanding registration area of the United States now containing about 98.5 per cent of our total population, we find that the yearly death rates per 100,000 of the population for acute and chronic alcoholism combined, for all white males up to and including 74 years of age, were as follows:

1911.....	7.9
1924.....	5.2
1925.....	5.9
1926.....	6.3
1927.....	6.5
1928.....	6.6
1929.....	6.1

For the same population, sex, and age, the death rates from cirrhosis of the liver per 100,000 were:

1911.....	16.8
1924.....	7.7
1925.....	7.4
1926.....	7.3
1927.....	7.7
1928.....	8.1
1929.....	7.4

Comparable rates for females in the same population and age groups were as follows:

TABLE II

	Acute and Chronic Alcoholism	Cirrhosis of the Liver
1911.....	1.0	8.0
1924.....	.5	3.8
1925.....	.6	3.9
1926.....	.7	3.9
1927.....	.8	4.1
1928.....	.7	4.1
1929.....	.6	4.0

When we breakdown these death rates for all ages from one to seventy-four years into specific rates for the age groups likely to be particularly affected by interference with ready accessibility of beverage alcohol, we find changes in rates between 1911 and 1929 for both sexes combined, as seen in Table III.

Again we obtain confirmatory evidence from the particularly valuable experience of the Metropolitan Life Insurance Company with its white male and female industrial or wage earning policyholders. See Table IV.

Our Army and Navy medical records give added reason to believe that acute and chronic alcoholism as a cause of sickness have been materially affected by the relative interference with the alcohol traffic in recent years. The annual admission rate to sick care per 1,000 officers and men per annum in the United States Army has fallen from 23.86 in 1903 and 13.10 in 1913, to 7.89 in 1923 and 7.17 in 1929.

Cases of acute and chronic alcoholism per 1,000 mean strength in the United States Navy fell from 5.71 in 1911 and 3.42 in 1915, to 2.02 in 1929 and to 1.74 in 1930.

Users of alcohol are obviously a minority of the population taken at all ages, the true proportion of users and non-users being a matter of conjecture. We can, however, obtain some idea of the prevalence of abstainers from a

TABLE III

Age Group	Acute and Chronic Alcoholism		Cirrhosis of the Liver	
	1911	1929	1911	1929
25-34.....	7.3	5.3	6.0	1.5
35-44.....	18.9	14.2	19.6	7.6
45-54.....	22.8	18.5	48.2	18.5
55-64.....	23.0	17.0	75.9	38.2
65-74.....	15.4	11.7	109.6	57.6

TABLE IV—DEATHS PER 100,000 PER ANNUM

	Acute and Chronic Alcoholism		Cirrhosis of the Liver	
	1911	1929	1911	1929
<i>Males</i>				
All ages.....	10.3	6.5	29.5	10.7
25-34.....	12.2	5.7	11.9	2.7
35-44.....	30.6	15.3	38.5	12.4
45-54.....	27.6	22.0	97.3	34.1
55-64.....	19.4	17.8	132.2	48.5
65-74.....	9.9	9.5	150.4	69.0
<i>Females</i>				
All ages.....	1.3	0.7	12.2	5.3
25-34.....	2.1	0.6	5.6	1.7
35-44.....	4.5	2.2	20.8	6.1
45-54.....	5.7	2.3	29.4	14.5
55-64.....	2.2	1.4	45.9	20.7
65-74.....	1.8	0.3	81.9	41.0

sampling of 20,000 adults who applied in 1930 for life insurance in a number of companies. Apparently, according to the applicants' statements, the abstainers formed 74 per cent of the total, 83 per cent of the farmers, 75 per cent of the clerical workers, and 69 per cent of the workers in trades. Eighty per cent of the Middle Westerners claimed to be abstainers; the percentage was 74 among Southerners, 70 among Easterners, and 64 among residents of the Rocky Mountain-Pacific Coast area.

Among some hundreds of thousands of persons examined by the Life Extension Institute, 72 per cent of the commercial workers and 49 per cent of industrial workers claimed to be ab-

stainers. As these persons receive no consideration of gain on account of abstinence, these figures probably represent an approximate statement of fact.

EXPERIENCE OF MENTAL HOSPITALS

The state hospitals for mental disease have in a uniform manner, and over a considerable period of time, analyzed the diagnoses, the causes of disease, and the sources of the patients admitted, from many social points of view. The experience of New York and Massachusetts can be safely used as typical of that of the United States, although their populations are predominantly "wet" in opinions and customs.

In only about 13 per cent of the

admissions for alcoholic psychoses could the drink habit be attributed to a previously existing abnormal mental state.

The percentage of all admissions to our civil state hospitals for mental disease which were classed as alcoholic psychoses, has fallen materially in the past twenty years—from 10.1 in 1919 to 3.7 in 1922, rising but only to 4.7 by 1928. In New York State this percentage fell from 11.5 in 1910 to 3.0 in 1920, to rise to 6.5 in 1931. In Massachusetts it fell from 14.6 in 1910 to 6.4 in 1922, rising to 7.7 in 1929.

The distribution of these admissions for alcoholic psychoses is greater at present among later decades of life than was the case twenty years ago. This is one indication among many that it is the persistence in alcoholic habits of those already habitués, rather than a mass of new drinkers developed in present-day youth, that is supporting and in fact creating and continuing the demand for alcoholic beverages since prohibition.

Admissions for alcoholic psychoses among women have fallen from 23.5 per cent to 16.7 per cent of all patients admitted with this diagnosis, admissions from city populations remaining about three times as high per 100,000 as from rural areas.

In New York State, 89 per cent of first alcoholic mental disease admissions were from urban districts in 1931, as

compared with 83 per cent in 1922. The rates of admissions for alcoholic psychoses are lowest for rural women of native-born American stock, and highest for men of foreign birth from Ireland, Austria, Poland, Hungary, and Canada.

CONCLUSIONS BASED UPON EVIDENCE

Alcohol, according to the amount consumed and the duration of the habit, causes its chief damage to the mind and personality of man, and lesser injuries to his bodily resistance to infections and to his digestive tract, including the liver. Alcohol is responsible for a considerable proportion of all deaths, to a greater extent among men than among women, the discrepancy between the rates of the two sexes being less as the general consumption of alcohol in the population falls.

Sicknesses and deaths from alcoholic beverages directly and indirectly from causes associated with alcoholism have fallen in relation to the population wherever the per capita consumption of alcohol has been shown to have fallen, in this and other countries.

While we do not know the per capita consumption of alcohol in this country since prohibition, the lowering of death rates and sick rates from causes related to alcoholism offers strong presumptive evidence that prohibition has accomplished a reduction in the beverage use of alcohol in the United States.

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Prohibition and Mental Hygiene

Effects on Mental Health—Specific Disorders

By FREDERICK W. BROWN

PROHIBITION, in its effects on almost every phase of our social and economic life, presents so many opportunities for emotionally toned argument that it is difficult to separate facts from expressions of more or less suppressed desire motivated by personal experiences and prejudices. This is equally true with regard to its effects on mental health. The nearest approach to accurate data in this field is to be found in the study of those persons who have been placed under medical care in our hospitals and other institutions, particularly those hospitals and institutions which care for the mentally disordered.

SCOPE AND SOURCES OF THE STUDY

The present study is largely an attempt to discover the outstanding facts with regard to the prevalence, during the years 1910 to 1930, of a group of mental diseases broadly designated "alcoholic psychoses," and to determine what changes, if any, have taken place within this group since the War-time Prohibition Law and the Volstead Act became effective on June 30, 1919 and January 17, 1920, respectively.

Supplementary data relating to the effects of alcohol as observed in institutions for mental defectives and epileptics and in a group of general hospitals during the year 1931, together with data relating to patients admitted to state hospitals for mental diseases during the five-year period 1926 to 1930, are added to show the present magnitude of the effects of alcoholic

excesses, in extreme forms, upon mental life, and to serve indirectly as an index of the extent to which existing legal restrictions against the use of alcohol as a beverage are being observed. Trends in the death rates from alcoholism in the general population from 1910 to 1929 are compared with the trends in alcoholic psychoses, and the most recent statistics of alcoholic psychoses in the various states are presented in relation to the percentages of foreign-born and urban population of those states and to their "wet" or "dry" status at the time of the enactment of Federal prohibition legislation.

The data presented were procured largely from the following sources: the Statistical Bureau of the New York State Department of Mental Hygiene, the United States Bureau of the Census, and the superintendents of hospitals for mental diseases, institutions for mental defectives and epileptics, and general hospitals. A previous study made in collaboration with Dr. Horatio M. Pollock¹ has been used freely, and certain of its contents have been brought up to date.

Complete data for all of the institutions in any given state for the periods before and after 1920 were available only for New York. For this reason, comparative rates based upon general population could not be determined for these periods. Such rates, however, have been used for the years 1923

¹ Pollock, H. M., and Brown, F. W., "Recent Statistics of Alcoholic Mental Disease," *Mental Hygiene*, July 1929.

and 1926 to 1930, for which complete data were available.

The employment of percentages of alcoholic cases among admissions to state mental hospitals to indicate the general trends in the prevalence of alcoholic psychoses over the twenty-year period from 1910 to 1930 is felt to be legitimate in this study, inasmuch as the percentages as shown in the tables represent actual numerical changes in this group of admissions to a fixed number of hospitals, rather than apparent changes which might be produced by increases or decreases in other groups of admissions. Furthermore, the use of percentages eliminates a more serious source of error which would obtain if rates of admission to all hospitals based upon general population were employed, inasmuch as, in certain states, increased hospital facilities for mental patients have been out of proportion to the increase in the general population.

MENTAL DEFICIENCY

The terms "mentally deficient," "mentally defective," and "feeble-minded" are used synonymously to describe those persons whose intellectual development is retarded as the result of causes operative before birth, at birth, or during early infancy and childhood. Among the causes operative before birth is placed defective development due to excessive alcoholism on the part of one or both parents; but the opinions as to the importance of this cause vary considerably, both in the literature and in the viewpoints of individual superintendents of institutions for mental defectives as revealed through personal correspondence.²

Dr. W. D. Partlow, Superintendent of the Partlow State School (Alabama)

² Unless otherwise stated, all quotations are from personal correspondence, used with the permission of the writers.

and of the Alabama Insane Hospitals, emphasizes the importance of the effects of alcoholism in the following statement:

In my opinion excessive use of alcohol or other toxic drugs disqualifies entirely for parenthood. Children of habitual drunkards may be epileptic or mentally deficient or both; or persons on debauch at the time of conception, either father or mother, may produce a child who is epileptic or mentally deficient, or both. Whether or not children of such parents escape these marks of degeneracy they will inevitably, and often without realization on their own part or that of others, possess a less degree of degeneracy in the form of neurasthenia or a predisposition to mental disease or such constitutional physical degeneracy as is only satisfied by themselves consuming alcoholic toxins and other sedative drugs.

A more conservative and more widely held point of view is expressed by Dr. J. H. Bell, Superintendent of the Virginia State Colony for Epileptics and Feeble-minded:

It is my opinion that either acute or chronic alcoholism in either parent at the time of conception is capable of producing a mentally defective or epileptic person. In such instances life begins with a poisoned cell, and the extent of the damage to the sperm cell or germ cell would naturally be dependent upon the extent and quality of the intoxication and limited by the normal congenital resistance of the cellular structure of the given individual.

The opinion of Dr. Edgar A. Doll, of The Training School at Vineland, New Jersey, represents the opposite extreme from that of Dr. Partlow. It is also of interest in its reference to two other phases of the question of the effects of excessive use of alcohol. Dr. Doll says:

Our point of view is that alcoholism is not a demonstrably serious cause of mental deficiency. While we assume that mental deficiency might be caused by alcoholism, the trend of evidence leads us to the con-

clusion that alcoholism leads to abortion and still-birth rather than to mental deficiency. There is some reason to believe that excessive alcoholism during early infancy may produce mental deficiency but this evidence is not entirely clear.

Opinions as to the significance of mental deficiency as a cause of or as a factor contributing to the excessive use of alcohol are equally varied, but in most cases the belief is expressed that the mental defective, because of his tendency towards lack of self-restraint and the absence of sufficient intelligence and judgment to forecast the evil results of such a habit, is more likely to be alcoholic than the intellectually normal individual. The intellectual status of the parents, their habits with respect to alcohol, and the influence of other persons in an environment where alcoholic beverages are commonly used and easily obtained, are frequently the determining factors.

whether for alcohol or narcotics. This does not seem to be of as much significance as an alcoholic heredity in the production of mental defect. There seems to be a vicious circle here; the alcoholic heredity producing mental defect and the mental defect in turn producing alcoholism.

Of the sixty-four state and several private institutions for mental defectives from which statistical data were requested, about half replied either that alcoholism was considered to be so unimportant a causative factor that the alcoholic habits of parents were not investigated, or that such information as might be obtained was so unreliable as to be of little if any significance. In one institution, however, alcoholism was given as a causative factor in from 40 to 45 per cent of all cases admitted.

Statistical data received from thirty state institutions are given in Table I, for the year 1931. These institutions

TABLE I—EXCESSIVE USE OF ALCOHOL AS A FACTOR OF IMPORTANCE AMONG THE MENTAL DEFECTIVES ADMITTED TO 30 STATE INSTITUTIONS FOR THE FIRST TIME DURING 1931

	Both Sexes		Males		Females	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Alcoholic heredity strongly indicated.	170	4.2	56	2.8	114	5.7
Admitted because of conduct resulting from excessive use of alcohol.	28	0.7	14	0.7	14	0.7
Admitted because of parental neglect resulting from excessive use of alcohol.	43	1.1	7	0.3	36	1.8
All other new admissions.	3,778	94.0	1,933	96.2	1,845	91.8
Total new admissions.	4,019	100.0	2,010	100.0	2,009	100.0

A dual, or reciprocal, relationship between mental deficiency and alcoholism is indicated by Dr. Mary B. Wolfe, Superintendent of the Laurelton State Village (Pennsylvania), which cares for girls only:

The instability and suggestibility of many of the cases would naturally lead to the formation of all types of drug habits,

are distributed, by states, as follows: Alabama, Colorado, Delaware, Florida, Kansas, Maine, New Jersey, New Mexico, North Dakota, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Wisconsin, and Wyoming, one each; Illinois, Indiana, Iowa, Massachusetts, Minnesota, New York, and Ohio, two each. These thirty in-

stitutions received 4,019 persons during the year, of whom 2,010 were males and 2,009 were females. Eleven of the institutions reported 170 admissions in whose cases alcoholic heredity was strongly indicated as a cause of mental deficiency. Of these, 114 were females and 56 males, the females outnumbering the males approximately 2 to 1. Eight institutions reported 28 admissions, equally divided as to sex, the immediate cause of whose admission was conduct resulting from their own excessive use of alcohol. Forty-three persons, of whom 7 were males and 36 were females, were admitted to 6 institutions because of neglect resulting from excessive use of alcohol on the part of parents. The total number of admissions in whose mental deficiency excessive use of alcohol was reported to be a significant factor amounts to only 6 per cent of all admissions during the year.

While statistical data were not available for publication, the superintendents of all institutions which were operating before prohibition stated that they had noticed no change either in the rates of admission or in the characteristics of the persons admitted which could be attributed, either directly or indirectly, to prohibition.

EPILEPSY

As in the case of mental deficiency, medical opinion with regard to excessive use of alcohol as a cause of epilepsy varies. The following statement of Dr. William T. Shanahan, Superintendent of Craig Colony (New York), is typical of the point of view of most authorities:

Because of the difficulty in determining just what constitutes alcoholism, the question is still in abeyance as to what influence the use of alcohol by ancestors may have upon the appearance of epilepsy in descendants. Some assume that the use of alcohol

to an extent to cause abnormal reactions in an individual indicates something primarily wrong with that person, which, if true, would have something to do with the appearance of some evidence of defectiveness in the descendants rather than the use of alcohol. It is theoretically possible that abuse of alcohol by a parent over a period before the conception of a child might damage the germ plasma to such a degree as to cause epileptiform reactions in the descendant. Viewed from a scientific standpoint this is as yet but theory. Occasionally, the abuse of alcohol seemingly causes what has been designated as "rum fits." In a person already recognized as epileptic, the use of alcohol, even in small quantities, may provoke seizures.

Statistical data from fourteen state institutions caring for epileptics are summarized in Table II. The distribution of these institutions, by states, is: one each in Florida, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, North Dakota, Virginia, Wisconsin, and Wyoming, and two in Ohio.

During 1931 there were 1,084 admissions to these institutions, of whom 602 were males and 482 were females. Eight of these institutions reported 65 admissions in whose immediate ancestry excessive use of alcohol was considered to be a probable causative factor. Of these, 29 were males and 36 females. Five institutions reported 26 males and 7 females, or a total of 33 admissions, as being admitted because of excessive use of alcohol on their own part. Among all admissions, alcoholism is recognized as a factor of importance in 9 per cent of the cases. As with the mental defectives, alcoholic heredity is more prominent among females than among males, although the excess of females is not so great as for the mental defectives. Of those admitted because of their own excessive use of alcohol, however, the number of

TABLE II—EXCESSIVE USE OF ALCOHOL AS A FACTOR OF IMPORTANCE AMONG EPILEPTICS ADMITTED TO 14 STATE INSTITUTIONS FOR THE FIRST TIME DURING 1931

	Both Sexes		Males		Females	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Alcoholic heredity strongly indicated. . . .	65	6.0	29	4.8	36	7.5
Admitted because of conduct resulting from excessive use of alcohol.	33	3.0	26	4.3	7	1.4
All other new admissions.	986	91.0	547	90.9	439	91.1
Total new admissions.	1,084	100.0	602	100.0	482	100.0

males is nearly four times that of the females.

No changes in the rates of admission or in the type of patients were observed which might be attributed to prohibition.

PSYCHOSES OR MENTAL DISEASES

The general effects of alcohol on the nervous system, particularly in relation to mental diseases, are well summarized by Strecker and Ebaugh in the following statement:

Without regard to the therapeutic use or uselessness of alcohol, it is universally conceded that the nervous system is particularly vulnerable to its effects in large amounts. Plutarch, Aristotle and Hippocrates wrote of its deleterious action, and in 1844, Flemming described delirium tremens and mania à potu. Alcoholism may be a symptom of other psychoses but in itself it accounts for from 5 to 10 per cent of all mental disease. Even in moderate doses, alcohol lessens motor activity, increases reflexes, diminishes physical strength, lowers the fatigue point, interferes with clarity of ideation, impairs capacity for judgment and mental work, interferes with the sharpness of memory and the stability of the emotions. It is a direct poison to the cortical cells, and in acute intoxication Nissl found they were destroyed or damaged with shrunken and displaced nuclei. . . . In addition to the intellectual, emotional and moral deterioration, one is perhaps especially likely to encounter [in the alcoholic psychoses] hallucinations of all kinds and

delusions of persecution, which are often referred to marital infidelity.³

The term "alcoholic psychoses" is used in the standard classification of mental diseases of the American Psychiatric Association⁴ to indicate a group of several more or less distinct types of mental disease which have as a common and chief factor in their causation the excessive use of alcohol. The consumption of large quantities of alcoholic beverages over a short period of time may, but does not as a rule, produce an alcoholic psychosis. Usually the mental disease results from alcoholic excesses over a period of years. Pollock⁵ found that among admissions to New York mental hospitals the average period of excessive use of alcohol for those suffering from alcoholic psychoses was twenty-two years for men and sixteen years for women.

A second group of persons suffering from alcoholic excesses is found in many mental hospitals and in general hospitals as well. This group is classi-

³ Strecker, Edward A., M.D., and Ebaugh, Franklin G., M.D., *Practical Clinical Psychiatry*, Third edition, pp. 163-64, Philadelphia: Blakiston's, 1931.

⁴ *Statistical Manual for the Use of Hospitals for Mental Diseases*, 5th ed., revised, New York: The National Committee for Mental Hygiene, Dept. of Statistics, 1931.

⁵ Pollock, H. M., "Decline of Alcohol and Drugs as Causes of Mental Disease," *Mental Hygiene*, Jan. 1921.

fied under the term "alcoholism without psychosis." It includes those persons whose behavior is such as to necessitate their confinement and medical treatment, although they are not as yet suffering from mental diseases as such.

Excessive use of alcohol is also found in a considerable number of patients suffering from other types of mental disease. In many of these cases, alcohol as a contributing causal factor is established; but in others the causal relationship is reversed, the excessive use of alcohol being a symptom of the mental disease.

Data published by the United States Bureau of the Census⁶ for all public and private mental hospitals show that of 71,676 new admissions during 1922, 6,119, or 12.7 per cent, were intemperate users of alcohol. Of the 615 cases of mental disease due to drugs and other exogenous toxins, 181, or 29.4 per cent, were intemperate users of alcohol, as were also 127, or 14.0 per cent, of the 914 cases of psychopathic personality, and 1,172, or 16.3 per cent, of the 7,187 psychoses due to syphilis. Of the dementia præcox group, the largest of all groups of psychoses, comprising 15,526 new admissions, 923, or 6.0 per cent, were intemperate.

Certain interesting facts were noted by Pollock and Brown in their study of patients with alcoholic psychoses admitted to the state hospitals of nineteen states during the years 1922, 1925, and 1926.⁷ These may be briefly summarized.

Sex—

The total number of alcoholic psychoses admitted in 1922 was 1,027; in 1925, 1,279; and in 1926, 1,369. The ratio of males to females in 1922 and

1925 was approximately 6 to 1 each year, and in 1926 it was approximately 7.5 to 1.

Age—

Alcoholic psychoses were found to be distinctly disorders of advanced middle life. Approximately 75 per cent of all admissions of this class entered the hospitals between the ages of 30 and 55, whereas less than one half of the new admissions of all classes entered between these ages.

Education—

Of each 100 patients with alcoholic psychoses admitted during 1922, 1925, and 1926, respectively 9, 7, and 8 were illiterate; 22, 17, and 13 could read and write but had not completed the fourth grade of common school; 56, 61, and 63 had received a common school education; 6, 7, and 6 had completed high school; and 3, 2, and 2 had finished college. The education of 4, 6, and 7 was unascertained.

Environment—

In 1922, eighty per cent of the cases came from an urban in contrast to a rural environment; that is, from places having a population of 2,500 or over. In 1925 the corresponding figure was 84 per cent, and in 1926 it was 82 per cent. A comparison of these percentages with those for the United States for the year 1930, namely, urban 56.2 and rural 43.8, shows them to be very high.

Economic condition—

The economic condition at the time of admission was found to be as follows: 62 per cent were on the margin between dependency and self-support in 1922, 65 per cent in 1925, and 70 per cent in 1926. Twenty-one, 21, and 16 per cent were reported as dependent for the three years, respectively.

⁶ *Patients in Hospitals for Mental Disease, 1923*, Washington: Government Printing Office.

⁷ *Op. cit.*, Note 1.

CHANGES AMONG ALCOHOLIC PATIENTS SINCE PROHIBITION

A detailed discussion of the clinical characteristics of persons suffering from the effects of excessive alcoholism is not pertinent to this study, but it is of interest to note certain changes which hospital superintendents find in the character of their alcoholic patients in recent years. In approximately one half of the 50 general hospitals and 165 mental hospitals from which letters were received, no particular difference in the general run of alcoholic patients, either with or without psychosis, has been observed since the advent of prohibition.

Among the alcoholic patients admitted to general hospitals, the chief difference noted has been one of complications resulting from poisons contained in the beverages drunk. One hospital lists the types of alcoholic mixtures causing these complications, in order of frequency, as follows, as observed in more than 1,000 alcoholic cases annually since 1928:

- (1) Corn whisky and corn whisky mixtures with veronal, aspirin, and other drugs
- (2) Home-brew alone or with corn whisky
- (3) Various grades of alcohol, including ethyl and methyl as well as denatured alcohol, the so-called rubbing alcohol and "radiator" alcohol
- (4) Bay rum
- (5) Hair tonic
- (6) Canned heat or "smoke"
- (7) Various varnish mixtures

Another general hospital has observed a noticeable increase in the number of well-to-do persons suffering from alcoholism, as contrasted with that of the ward class.

Among the hospitals for mental diseases, several report more young people in the alcoholic groups than formerly, while one hospital reports

"during the past year an unusually large group of patients who are of high school age" admitted for alcoholism without psychosis.

In approximately one half of the state hospitals for mental diseases, one or both of the following changes are noted among patients with alcoholic psychoses:

(1) There are fewer cases of prolonged or chronic hallucination. The cases of hallucinosis are more frequently acute, with violent mental outbreak and profound amnesia, in contrast to the prolonged cases of former years in which the hallucinations existed over a period of months or weeks with a more accurate and detailed memory of them upon restoration to normal mental activity.

(2) A new type of case is observed which did not exist before prohibition, namely, one in which the alcoholic state is accompanied by a toxicity or poisoning, often with destruction of nervous and organic tissues. Extreme cases of this type suffer from violent mental disturbances and die in a short time without regaining a normal mental state.

GENERAL HOSPITAL STATISTICS

Statistical data relative to the significance of alcohol among patients treated during 1931 were received from 37 general hospitals, distributed by states as follows: Connecticut, Indiana, Maryland, Missouri, Nebraska, South Carolina, and Texas, 1 each; Ohio, 2; Michigan 3; Massachusetts and New Jersey, 4 each; California and Pennsylvania, 5 each; and New York, 7.

Twenty-nine of these hospitals reported a total of 242,347 patients of all types treated during the year. Of these, 838, or 0.4 per cent, were alcoholic psychoses; 9,614 or 4 per cent, were cases of alcoholism without psychosis; and 1,198, or 0.5 per cent,

were cases in which excessive use of alcohol was a complicating factor of importance.

The distribution by sex was reported by 18 of the 29 hospitals, and the data furnished are summarized in Table III.

number of patients admitted to these departments was 9,534. Of these, 383, or 4 per cent, were alcoholic psychoses; 2,029, or 21.3 per cent, were cases of alcoholism without psychosis; and 136, or 1.4 per cent, were cases in

TABLE III—EXCESSIVE USE OF ALCOHOL AMONG ALL PATIENTS ADMITTED TO 18 GENERAL HOSPITALS DURING 1931

	Both Sexes		Males		Females	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Alcoholic psychoses	688	0.5	611	0.9	77	0.1
Alcoholism without psychosis	4,671	3.4	3,905	5.7	766	1.1
Excessive alcoholism as a complicating factor	1,012	0.7	887	1.3	125	0.2
All other patients	132,160	95.4	63,301	92.1	68,859	98.6
Total patients	138,531	100.0	68,704	100.0	69,827	100.0

It will be noted that alcoholism was a factor of importance in less than 5 per cent of all cases treated, and that the proportion of males to females was approximately 8 to 1 for the alcoholic psychoses, 5 to 1 for the cases of alcoholism without psychosis, and 7 to 1 for those cases in which excessive alcoholism was a complicating factor.

In addition to the above data, reports were received from eight general hospitals relating only to patients received in their psychopathic departments. During the year 1931 the total

which excessive use of alcohol was a complicating factor of importance.

Six of these psychopathic departments reported the distribution by sex of all patients received. These statistics are summarized in Table IV. The alcoholic psychoses comprise 3.4 per cent of all patients admitted, 4.2 per cent of all males and 1.4 per cent of all females, the males outnumbering the females by approximately 6 to 1. The cases of alcoholism without psychosis comprise 32.1 per cent of all admissions, 41.8 per cent of the males and 11.8 per

TABLE IV—EXCESSIVE USE OF ALCOHOL AMONG ALL MENTAL PATIENTS ADMITTED TO THE PSYCHOPATHIC DEPARTMENTS OF 8 GENERAL HOSPITALS DURING 1931

	Both Sexes		Males		Females	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Alcoholic psychoses	152	3.4	131	4.2	21	1.4
Alcoholism without psychosis	1,463	32.1	1,290	41.8	173	11.8
Excessive alcoholism as a complicating factor	64	1.4	49	1.6	15	1.0
All other patients	2,876	63.1	1,616	52.4	1,260	85.8
Total patients	4,555	100.0	3,086	100.0	1,469	100.0

cent of the females, the males outnumbering the females by about 7 to 1. Excessive alcoholism as a complicating factor was found in 1.4 per cent of all cases, 1.6 per cent of the males and 1 per cent of the females. Among all

hospitals are those published by the Bureau of the Census for January 1, 1923.⁸ These figures are given in Table V. The total number of patients in the 163 state hospitals and 2 Federal hospitals on that date was

TABLE V—NUMBER AND PER CENT DISTRIBUTION, BY PSYCHOSES, OF ALL PATIENTS IN STATE HOSPITALS FOR MENTAL DISEASE ON JANUARY 1, 1923, AND OF ALL FIRST ADMISSIONS AND READMISSIONS DURING 1922⁹

Psychoses	Patients in Hospitals Jan. 1, 1923		Admissions During 1922			
			First Admissions		Readmissions	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Traumatic.....	399	0.2	136	0.3	16	0.1
Senile.....	10,731	4.7	5,101	9.8	305	2.7
With cerebral arteriosclerosis.....	3,988	1.7	3,045	5.8	225	2.0
General paralysis.....	7,813	3.4	4,977	9.5	459	4.1
With cerebral syphilis.....	1,453	0.6	589	1.1	79	0.7
With Huntington's chorea.....	287	0.1	86	0.2	15	0.1
With brain tumor.....	39	^a	38	0.1	3	^a
With other brain or nervous diseases....	847	0.4	456	0.9	53	0.5
ALCOHOLIC.....	6,430	2.8	1,819	3.5	355	3.2
Due to drugs and other exogenous toxins.	454	0.2	355	0.7	98	0.9
With pellagra.....	466	0.2	339	0.6	25	0.2
With other somatic diseases.....	1,532	0.7	1,235	2.5	92	0.8
Manic-depressive.....	35,522	15.6	8,095	15.5	3,496	31.1
Involution melancholia.....	4,492	2.0	1,083	2.1	201	1.8
Dementia præcox (Schizophrenia).....	102,267	44.8	11,887	22.8	3,331	29.6
Paranoia and paranoid conditions.....	9,517	4.2	1,266	2.4	292	2.6
Epileptic psychoses.....	7,962	3.5	1,513	2.9	294	2.6
Psychoneuroses and neuroses.....	1,464	0.6	1,063	2.0	212	1.9
With psychopathic personality.....	2,573	1.1	764	1.5	235	2.1
With mental deficiency.....	10,366	4.5	1,615	3.1	347	3.1
Undiagnosed psychoses.....	11,444	5.0	3,142	6.0	367	3.3
Without psychosis.....	7,908	3.5	3,356	6.4	730	6.5
Unknown.....	445	0.2	145	0.3	18	0.2
Total, all clinical groups.....	228,399	100.0	52,155	100.0	11,248	100.0

^a Less than one tenth of one per cent.

the admissions to these psychopathic departments, excessive use of alcohol was found to be a factor of importance in approximately 37 per cent of all cases.

ALCOHOLIC PSYCHOSES AS A STATE HOSPITAL PROBLEM

The most recent detailed statistics of resident patients in state mental

228,399. Of these, 6,430, or 2.8 per cent, were alcoholic psychoses. Of the 52,155 patients admitted for the first time to any hospital for mental diseases

⁸ *Op. cit.*, Note 6.

⁹ Includes 163 state hospitals and 2 Federal hospitals, St. Elizabeth's at Washington, D. C. and the Asylum for Insane Indians in South Dakota.

during the year 1922, 1,819, or 3.5 per cent, were alcoholic psychoses, and of the 11,248 readmissions, that is, persons who had been treated for mental diseases previously, the alcoholic psychoses numbered 335, or 3.2 per cent.

centage of alcoholic psychoses. Of the first admissions there were 2,770, or 4.7 per cent of all first admissions, while the readmissions with alcoholic psychoses numbered 535, or 3.8 per cent of all readmissions. In this table, data are also available showing the number of

TABLE VI—NUMBER AND PER CENT DISTRIBUTION, BY PSYCHOSES, OF ALL FIRST ADMISSIONS AND READMISSIONS TO STATE HOSPITALS FOR MENTAL DISEASE DURING 1923 ¹¹

Psychoses	First Admissions		Readmissions	
	Number	Per Cent	Number	Per Cent
Traumatic.....	256	0.4	46	0.3
Senile.....	5,616	9.4	354	2.5
With cerebral arteriosclerosis.....	5,401	9.1	397	2.8
General paralysis.....	5,040	8.5	430	3.1
With cerebral syphilis.....	872	1.4	93	0.7
With Huntington's chorea.....	92	0.2	12	0.1
With brain tumor.....	43	a	2	a
With other brain or nervous diseases....	884	1.5	153	1.1
ALCOHOLIC.....	2,770	4.7	535	3.8
Due to drugs and other exogenous toxins.	357	0.6	101	0.7
With pellagra.....	941	1.6	89	0.6
With other somatic diseases.....	1,621	2.7	134	1.0
Manic-depressive.....	8,384	14.1	4,137	29.6
Involution melancholia.....	1,058	1.8	248	1.8
Dementia præcox (Schizophrenia).....	11,945	20.1	4,070	29.1
Paranoia and paranoid conditions.....	1,042	1.8	297	2.1
Epileptic psychoses.....	1,610	2.7	375	2.7
Psychoneuroses and neuroses.....	1,071	1.8	215	1.5
With psychopathic personality.....	690	1.2	245	1.8
With mental deficiency.....	2,054	3.5	520	3.7
Undiagnosed psychoses.....	1,806	3.0	279	2.0
Psychosis not reported.....	1,967	3.3	332	2.4
<i>Without Psychosis</i>				
Epilepsy.....	230	0.4	50	0.4
ALCOHOLISM.....	1,126	1.9	266	1.9
Drug addiction.....	447	0.8	172	1.2
Psychopathic personality.....	327	0.5	83	0.6
Mental deficiency.....	884	1.5	154	1.1
Others without psychosis.....	883	1.5	182	1.3
Total, all clinical groups.....	59,417	100.0	13,971	100.0

^a Less than one tenth of one per cent.

Comparable figures for first admissions and readmissions during 1928 ¹⁰ are given in Table VI, showing an increase in both the number and the per-

¹⁰ *Mental Patients in State Hospitals, 1928*, Washington: Government Printing Office.

first admissions and readmissions during 1928 who were suffering from alcoholism without psychosis. There were 1,126 first admissions of this type, or

¹¹ The same hospitals are included as in Table V. See Note 9.

1.9 per cent of all first admissions, and 266 readmissions, or 1.9 per cent of all readmissions.

The facts already presented indicate that mental disorders caused by the excessive consumption of alcohol in years during which the use of that commodity as a beverage has been prohibited by law, constitute a very serious problem. An examination of certain trends in state hospital admissions with alcoholic psychoses before and after the enactment of the prohibitive legislation will furnish a basis for a comparison of the two periods with respect to alcoholic overindulgence to a degree productive of mental disease.

Data relating to alcoholic psychoses

and to intemperate users of alcohol among all new admissions to the civil state hospitals of New York from 1909 to 1930 inclusive, are given in Tables VII and VIII. The trends in the percentages of these classes of patients over the twenty-year period 1911 to 1930 are shown in Chart 1. The similarity of the curves is noticed at once. In both cases there is a definite decline from 1911 to 1915, which is believed to be due to a growing sentiment during those years against the excessive use of alcohol, a sentiment resulting from a greater knowledge of the evil effects of such excesses. The year 1917 shows a marked rise, after which there is a steady decline to 1920. Since 1920 the trend has been steadily upward,

TABLE VII—NEW ALCOHOLIC PSYCHOSES ADMITTED TO THE CIVIL STATE HOSPITALS OF NEW YORK, 1909-1930

For the Fiscal Year Ending in	All New Cases Admitted	New Alcoholic Psychoses						
		Number			Per Cent of All New Cases			Rate per 100,000 of Population
		Total	Males	Females	Total	Males	Females	
1909.....	5,222	561	433	128	10.8	15.6	5.8	6.3
1910.....	5,564	583	452	131	10.5	15.3	5.0	6.4
1911.....	5,700	591	444	147	10.4	14.7	5.5	6.4
1912.....	5,742	565	434	131	9.8	14.4	4.8	6.1
1913.....	6,061	572	438	134	9.4	13.7	4.7	6.1
1914.....	6,265	464	348	116	7.4	10.4	3.6	4.9
1915.....	6,204	345	255	90	5.6	7.8	3.1	3.6
1916 (9 mo.)	4,903	297	215	82	6.1	8.4	3.5	4.1 ^a
1917.....	6,877	594	437	157	8.6	12.1	4.8	6.0
1918.....	6,797	354	257	97	5.2	7.3	3.0	3.5
1919.....	6,791	269	204	65	4.0	5.8	2.0	2.6
1920.....	6,573	122	90	32	1.9	2.7	1.0	1.2
1921.....	6,939	193	167	26	2.8	4.6	0.8	1.8
1922.....	7,015	226	194	32	3.2	5.1	1.0	2.1
1923.....	6,900	276	220	56	4.0	6.1	1.7	2.6
1924.....	6,933	373	302	71	5.4	8.2	2.2	3.4
1925.....	7,435	422	341	81	5.7	8.8	2.3	3.8
1926.....	7,295	422	333	89	5.8	8.4	2.7	3.7
1927.....	7,928	554	440	114	7.0	10.1	3.2	4.8
1928.....	8,614	509	430	79	5.9	9.1	2.0	4.3
1929.....	8,550	537	459	78	6.3	9.7	2.0	4.4
1930.....	9,040	546	446	100	6.0	9.0	2.4	4.4

^a Estimated for 12 months.

TABLE VIII—INTEMPERATE USERS OF ALCOHOL AMONG ALL FIRST ADMISSIONS TO THE CIVIL STATE HOSPITALS OF NEW YORK, 1909-1930

For the Fiscal Year Ending in	Number			Per Cent of All First Admissions		
	Total	Males	Females	Total	Males	Females
1909.....	1,598	1,229	369	23.7	44.2	15.1
1910.....	2,172 ^a	1,684 ^a	488 ^a	38.1	56.9	28.7
1911.....	1,384	1,082	302	24.3	35.9	11.2
1912.....	1,370	1,097	273	23.8	36.5	10.0
1913.....	1,421	1,103	318	23.5	34.6	11.1
1914.....	1,235	1,027	258	20.5	30.8	8.8
1915.....	1,164	939	225	18.7	28.8	7.5
1916 (9 mo.).....	907	725	182	18.5	28.2	7.8
1917.....	1,452	1,152	300	21.1	32.0	9.2
1918.....	1,104	851	253	16.2	24.1	7.7
1919.....	965	804	161	14.2	22.8	4.9
1920.....	803	684	119	12.2	20.3	3.7
1921.....	822	691	131	11.8	18.9	4.0
1922.....	879	757	122	12.5	21.1	3.8
1923.....	886	756	130	12.8	20.9	4.0
1924.....	1,007	842	165	14.5	22.8	5.1
1925.....	980	813	167	13.2	21.0	4.5
1926.....	1,002	832	170	13.7	21.0	5.1
1927.....	1,261	1,050	211	15.9	24.1	5.9
1928.....	1,235	1,094	191	14.9	23.2	4.9
1929.....	1,303	1,107	196	15.2	23.4	5.1
1930.....	1,335	1,110	225	14.8	22.4	5.5

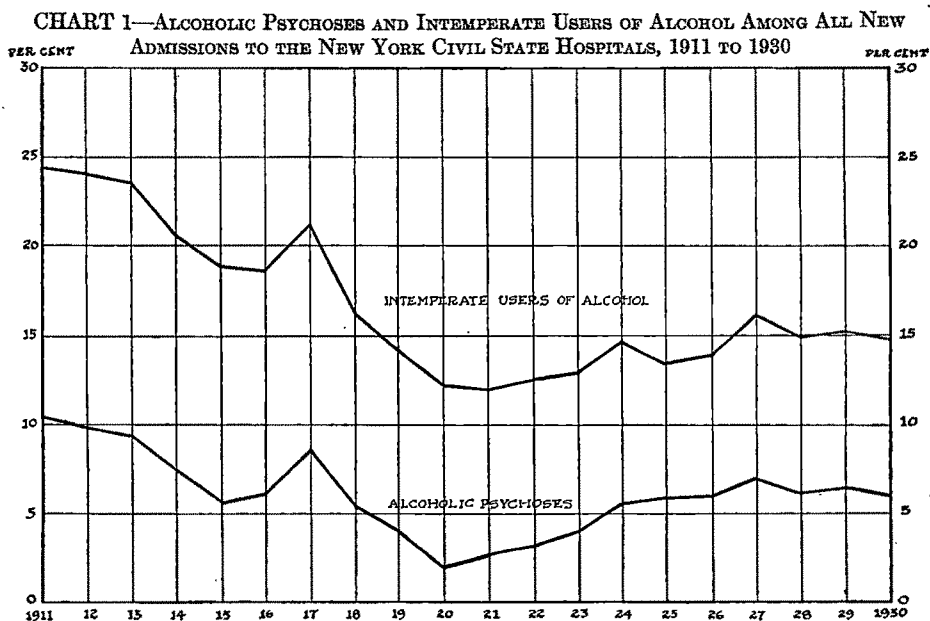
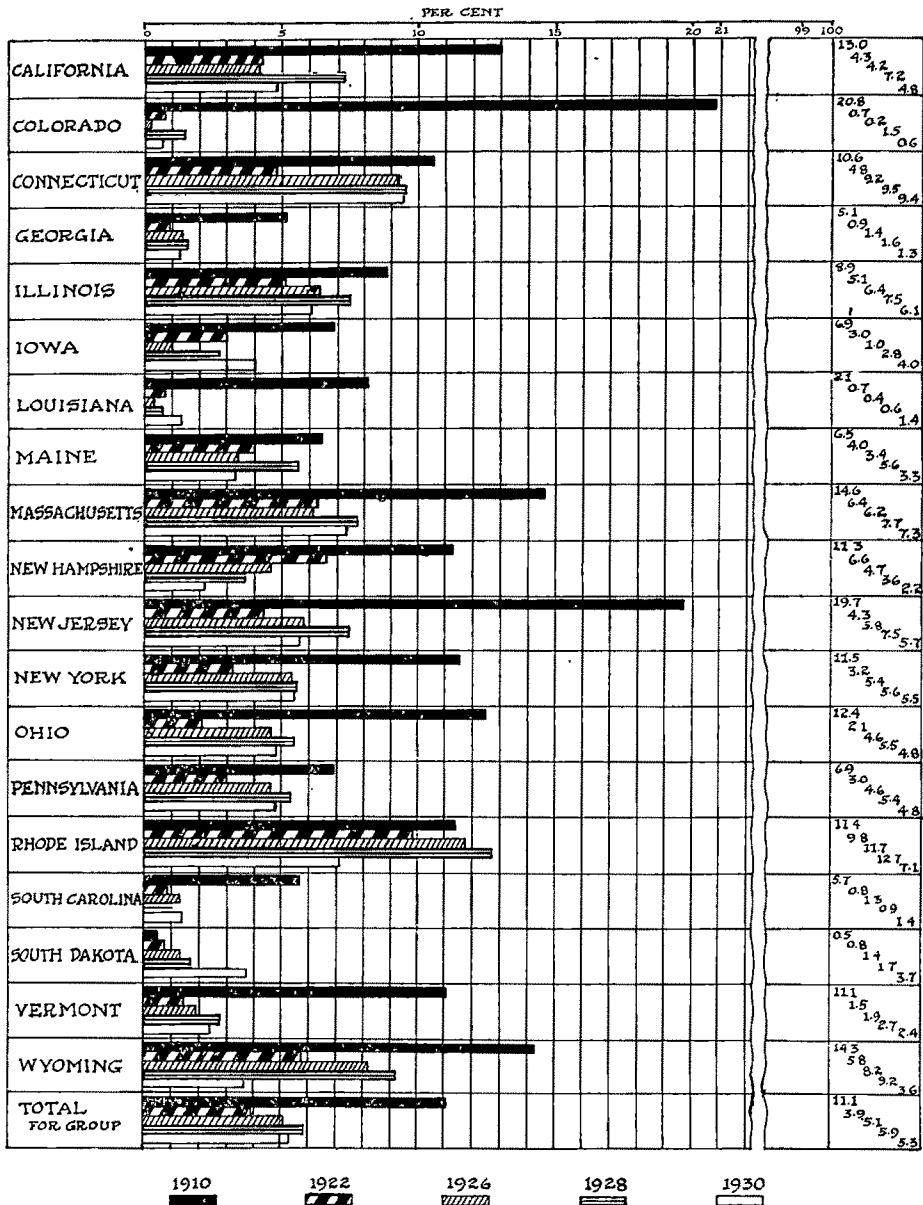
^a Includes moderate drinkers.

CHART 2—ALCOHOLIC PSYCHOSES AMONG ALL ADMISSIONS TO THE STATE HOSPITALS FOR MENTAL DISEASE OF 19 STATES, DURING THE YEARS 1910, 1922, 1926, 1928 AND 1930



although the percentages for 1928, 1929, and 1930 are slightly lower than for 1927.

The percentages of alcoholic psychoses among all admissions to the state hospitals for mental diseases of 19 states during the years 1910, 1922, 1925, 1926, 1928, and 1930 are given in Table IX, and a graphic comparison of these

age, is very small. A consistent decrease is noted in only one state—New Hampshire—for the entire period, while a consistent increase is noted only in South Dakota.

It is of interest to note that twelve of the nineteen states were "wet" at the time of the enactment of prohibition, and that of the remaining seven,

TABLE IX—PERCENTAGE OF ALCOHOLIC PSYCHOSES AMONG ALL ADMISSIONS TO THE STATE HOSPITALS FOR MENTAL DISEASES OF 19 STATES DURING 1910, 1922, 1925, 1926, 1928, AND 1930

State	1910	1922	1925	1926	1928	1930
California.....	13.0	4.3	4.2	4.2	7.2	4.8
Colorado.....	20.8	0.7	0.5	0.2	1.5	0.6
Connecticut.....	10.6	4.8	6.8	9.2	9.5	9.4
Georgia.....	5.1	0.9	1.3	1.4	1.6	1.3
Illinois.....	8.9	5.1	5.9	6.4	7.5	6.1
Iowa.....	6.9	3.0	1.4	1.0	2.8	4.0
Louisiana.....	8.1	0.7	0.6	0.4	0.6	1.4
Maine.....	6.5	4.0	4.8	3.4	5.6	3.3
Massachusetts.....	14.6	6.4	6.3	6.2	7.7	7.3
New Hampshire.....	11.3	6.6	3.4	4.7	3.6	2.2
New Jersey.....	19.7	4.3	6.6	5.8	7.5	5.7
New York.....	11.5	3.2	5.3	5.4	5.6	5.5
Ohio.....	12.4	2.1	3.7	4.6	5.5	4.8
Pennsylvania.....	6.9	3.0	4.3	4.6	5.4	4.8
Rhode Island.....	11.4	9.8	12.4	11.7	12.7	7.1
South Carolina.....	5.7	0.8	1.2	1.3	0.9	1.4
South Dakota.....	0.5	0.8	1.3	1.4	1.7	3.7
Vermont.....	11.1	1.5	1.3	1.9	2.7	2.4
Wyoming.....	14.3	5.8	11.1	8.2	9.2	3.6
Total for group.....	11.1	3.9	4.8	5.1	5.9	5.3

percentages, except for 1925, is given in Chart 2. It will be noted that the percentage for the group as a whole was 11.1 in 1910 and that it dropped to 3.9 in 1922, after which it rose steadily to 1928, with a decline of six tenths of one per cent from 1928 to 1930. The 1930 percentage for this group of states is not quite one half that of 1910, a year equally distant in time from the enactment of prohibition. The decrease from 1910 to 1922 is seen in each state except South Dakota, where the number of patients, as well as the percent-

Colorado, Georgia, and South Dakota were "bone dry," while Iowa, Maine, New Hampshire, and South Carolina had state-wide restrictions governing the sale and use of alcoholic beverages.

The number of all new admissions and of new admissions with alcoholic psychoses together with the percentage of alcoholic psychoses among all new admissions to 56 state hospitals for mental diseases in 25 states for the years 1910 to 1930 inclusive, are given in Table X, and the trends in the number of cases are indicated in Charts 3

and 4 respectively, for all new admissions and for new alcoholic psychoses. A comparison of these trends is significant. Although there are variations from year to year, the trend in the number of all new admissions is steadily upward, there being an increase of ap-

proximately 6,500 during the 21 years. With the alcoholic psychoses, however, we have relative large numbers up to 1917; then a marked decline to 1920, with a rise continuing thereafter up to 1929, and a slight drop in 1930.

CHART 3—ALL NEW ADMISSIONS TO 56 STATE HOSPITALS FOR MENTAL DISEASE IN 25 STATES, 1910 TO 1930

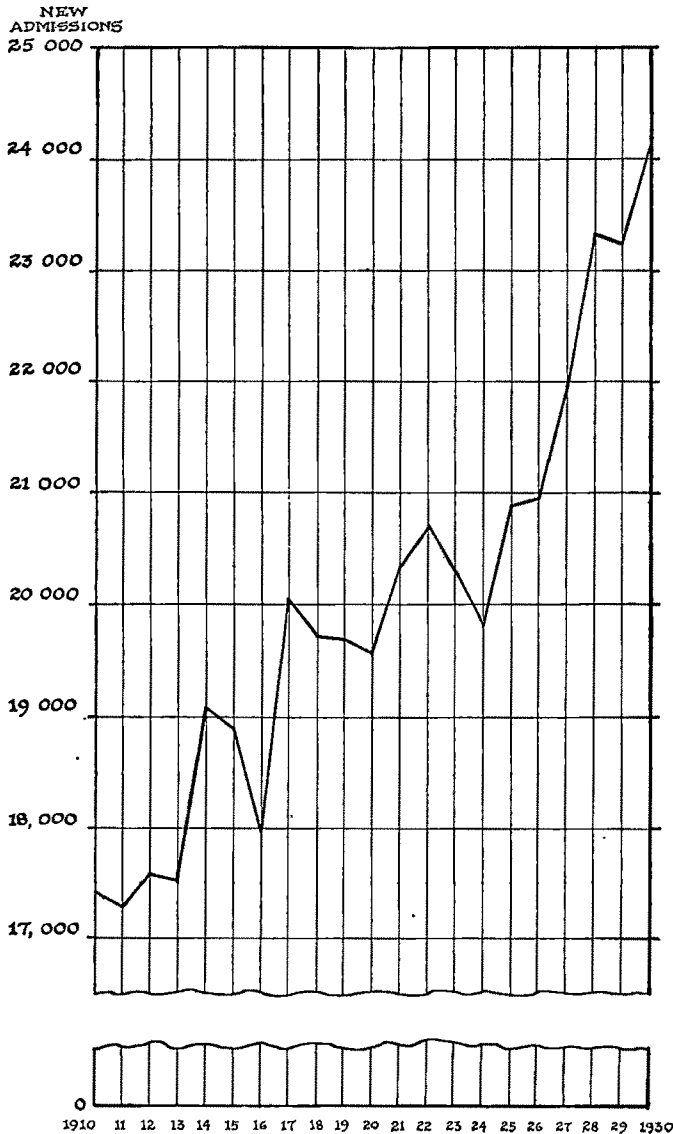
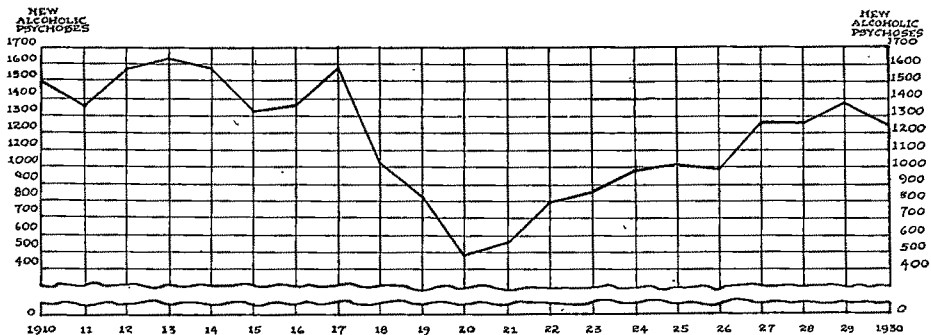


CHART 4—NEW ALCOHOLIC PSYCHOSES ADMITTED TO 56 STATE HOSPITALS FOR MENTAL DISEASE IN 25 STATES, 1910 TO 1930

TABLE X—ALL NEW ADMISSIONS, NEW ADMISSIONS WITH ALCOHOLIC PSYCHOSES, AND PERCENTAGE OF ALCOHOLIC PSYCHOSES AMONG ALL NEW ADMISSIONS TO 56 STATE HOSPITALS FOR MENTAL DISEASE IN 25 STATES¹² DURING THE 21 YEARS, 1910 TO 1930 INCLUSIVE

Year	All New Admissions	New Admissions with Alcoholic Psychoses	
		Number	Per Cent
1910.....	17,439	1,486	8.5
1911.....	17,299	1,366	7.9
1912.....	17,570	1,567	8.9
1913.....	17,525	1,633	9.3
1914.....	19,134	1,573	8.2
1915.....	18,875	1,331	7.1
1916 ^a	17,929	1,370	7.6
1917.....	20,041	1,576	7.9
1918.....	19,741	1,021	5.2
1919.....	19,737	841	4.3
1920.....	19,579	485	2.5
1921.....	20,368	567	2.8
1922.....	20,741	798	3.8
1923.....	20,316	861	4.2
1924.....	19,818	986	4.9
1925.....	20,857	1,017	4.9
1926.....	20,911	997	4.8
1927.....	21,982	1,268	5.8
1928.....	23,293	1,257	5.4
1929.....	23,242	1,380	5.9
1930.....	24,100	1,251	5.2

^a Admissions for New York are for 9 months only, because of change in fiscal year.

¹² The 56 hospitals are geographically distributed as follows: Colorado 1, Connecticut 1,

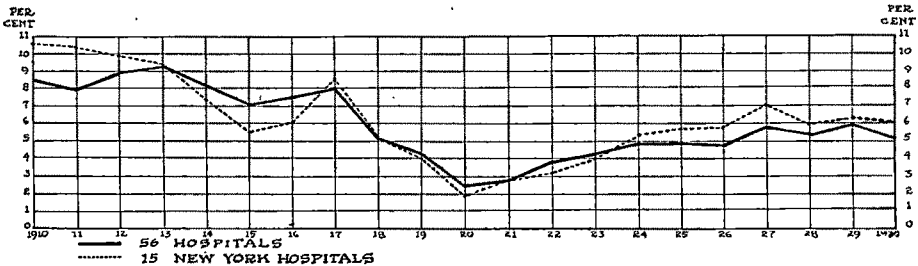
In Chart 5 the percentages of alcoholic psychoses among the new admissions to these fifty-six hospitals are compared with those of the New York civil state hospitals for the years 1910 to 1930, inclusive. The similarity of the trends of the two curves, beginning with 1913, is very marked, and corresponds closely to the trend in the actual number of alcoholic psychoses admitted to the fifty-six hospitals as shown in Chart 4.

ALCOHOL AS A CAUSE OF DEATH IN THE GENERAL POPULATION

The death rates in mental hospital of persons suffering from alcoholic psychoses are not significant, because most of these persons die from causes other than alcoholism. It is of interest, however, to note the trends in the death rates from alcoholism and from cirrhosis of the liver in the general population of the United States, including the mental hospitals, during the twenty years, 1910 to 1929. The number of deaths from all causes, from alcoholism, and from cirrhosis of the

Idaho 1, Indiana 2, Iowa 2, Louisiana 1, Maine 2, Massachusetts 4, Michigan 4, Minnesota 3, Mississippi 1, Nebraska 1, New Hampshire 1, New Jersey 2, New York 15, North Carolina 1, North Dakota 1, Ohio 4, Oregon 1, Pennsylvania 3, Rhode Island 1, South Dakota 1, Utah 1, Virginia 1, and Wyoming 1.

CHART 5—PERCENTAGE OF ALCOHOLIC PSYCHOSES AMONG ALL NEW ADMISSIONS TO 56 STATE HOSPITALS FOR MENTAL DISEASE IN 25 STATES AND TO THE NEW YORK CIVIL STATE HOSPITALS, 1910 TO 1930



liver, a disease caused by excessive use of alcohol, together with the rates per 100,000 of the general population of the registration area of continental United States for these years, are given in Table XI. The trend in the death rates from all causes is shown in Chart

6 and the trends in the rates from alcoholism and cirrhosis of the liver are shown in Chart 7.

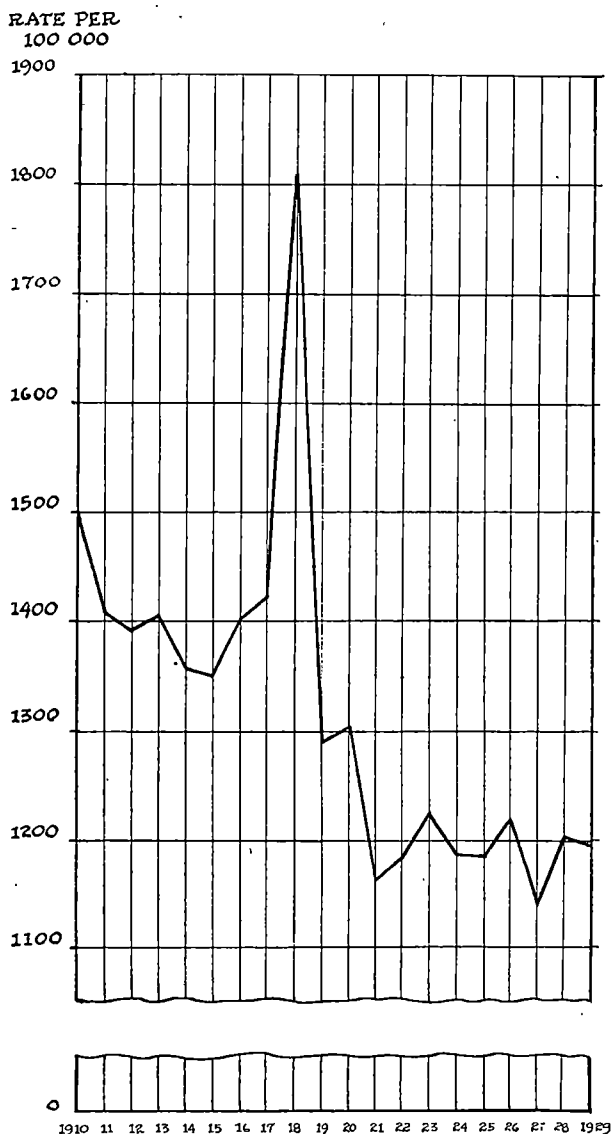
The death rate from all causes is irregular, but with a slight decline from 1910 to 1917. There is an abrupt rise in 1918, after which the decline con-

TABLE XI—DEATHS FROM ALL CAUSES, FROM ALCOHOLISM, AND FROM CIRRHOSIS OF THE LIVER, WITH RATES PER 100,000 OF THE GENERAL POPULATION, FOR THE DEATH REGISTRATION AREA OF CONTINENTAL UNITED STATES DURING THE 20 YEARS, 1910-1929

Year	Deaths from All Causes		Deaths from Alcoholism		Deaths from Cirrhosis of the Liver	
	Number	Rate per 100,000	Number	Rate per 100,000	Number	Rate per 100,000
1910.....	805,412	1,496.1	2,909	5.4	7,485	13.9
1911.....	839,284	1,418.1	2,875	4.9	8,310	14.0
1912.....	838,251	1,388.8	3,183	5.3	8,176	13.5
1913.....	890,848	1,409.6	3,744	5.9	8,497	13.4
1914.....	898,059	1,364.6	3,257	4.9	8,526	13.0
1915.....	909,155	1,355.0	2,945	4.4	8,439	12.6
1916.....	1,001,921	1,404.3	4,161	5.8	8,799	12.3
1917.....	1,068,932	1,425.5	3,907	5.2	8,567	11.4
1918.....	1,471,367	1,809.1	2,193	2.7	7,794	9.6
1919.....	1,096,436	1,287.4	1,367	1.6	6,704	7.9
1920.....	1,132,558	1,306.0	900	1.0	6,241	7.1
1921.....	1,032,009	1,163.9	1,611	1.8	6,598	7.4
1922.....	1,101,863	1,181.7	2,467	2.6	6,977	7.5
1923.....	1,193,017	1,230.1	3,148	3.2	7,027	7.2
1924.....	1,173,990	1,183.5	3,153	3.2	7,344	7.4
1925.....	1,219,019	1,182.3	3,694	3.6	7,549	7.3
1926.....	1,285,927	1,222.7	4,109	3.9	7,591	7.2
1927.....	1,236,949	1,141.9	4,372	4.0	8,098	7.5
1928.....	1,378,675	1,204.1	4,627	4.0	8,630	7.5
1929.....	1,386,363	1,192.3	4,339	3.7	a	a

^a No data.

CHART 6—DEATH RATE FROM ALL CAUSES PER 100,000 OF
THE GENERAL POPULATION OF THE REGISTRATION AREA OF
THE UNITED STATES DURING THE YEARS 1910 TO 1929

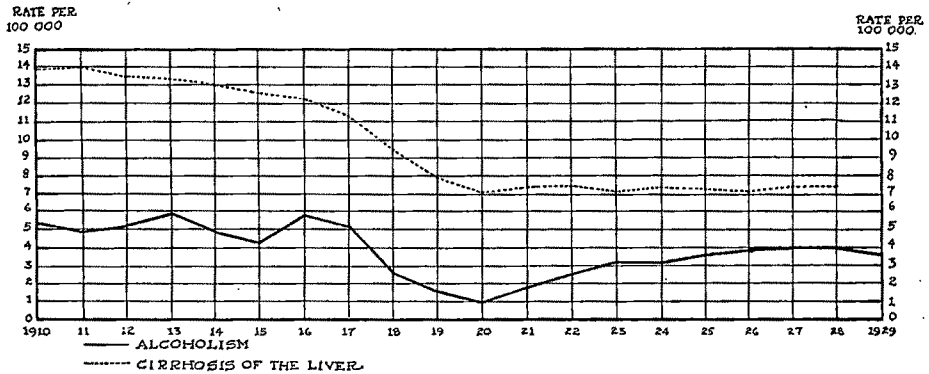


tinues irregularly until 1928, with a slight drop again in 1929.

The rate of deaths from cirrhosis of the liver shows a slight annual decline from 1911 to 1916, a more abrupt drop from 1917 to 1920, and since then a very slight annual rise and fall.

Deaths from alcoholism show an irregular and, on the whole, a slightly upward trend from 1910 to 1913, with a rise again in 1916. There is a slight decline from 1916 to 1917 and a marked decline from 1917 to 1920. From 1920 to 1928 there is a gradual rise, with a

CHART 7—DEATH RATE FROM ALCOHOLISM AND FROM CIRRHOSIS OF THE LIVER PER 100,000 OF THE GENERAL POPULATION OF THE REGISTRATION AREA OF THE UNITED STATES 1910 TO 1929



slight decline again in 1929. The rate of 3.7 in 1929 is still noticeably below that of 5.4 in 1910.

A comparison of Chart 7 with Chart 5 reveals at once a marked similarity in the trends of death rates from alcoholism in the general population, and of alcoholic morbidity as represented by the percentages of admissions to state mental hospitals suffering from alcoholic psychoses.

RECENT ALCOHOLIC ADMISSIONS TO STATE MENTAL HOSPITALS

The number of first admissions and readmissions to all state hospitals for mental diseases for the five years 1926 to 1930 inclusive, together with the number of admissions with alcoholic psychoses only and with alcoholism without psychosis, is shown by sex in Table XII.¹³ The trends for the five-year period are indicated in Chart 8 for the total admissions of each class. There is an increase in all new admissions from about 65,000 in 1926 to about 78,000 in 1930, and an increase in alcoholic psychoses from 2,700 in 1926 to 3,300 in 1928, followed by a slight decrease from 1928 to 1930.

¹³ Unpublished data for 1928, 1929, and 1930 are made available through courtesy of the Director of the Census.

Most noticeable, however, is the increase among those admissions suffering from alcoholism without psychosis from about 500 in 1926 to 1,800 in 1930, with the largest annual increase—from 738 to 1,392—occurring between 1927 and 1928.

The rates of admission per 100,000 of the general population for these three classes are given in Table XIII, and the rates for 1923 are included for comparison. The trend in these rates is shown in Chart 9, where it will be seen that, while the rate for all admissions was downward from 1923 to 1926, with a rapid upward swing thereafter, the rate for alcoholic psychoses has been steadily upward since 1923, with a very slight decline in 1929 and 1930. The rapid increase in the rate of admissions due to alcoholism without psychosis from 1926 to 1930 is also clearly indicated.

ALCOHOLIC PSYCHOSES IN RELATION TO FOREIGN-BORN AND URBAN POPULATION

The number and the rate per 100,000 of the general population of first admissions with alcoholic psychoses to all state mental hospitals are given in Table XIV for each state and for the United States as a whole, for the three years 1930, 1929, and 1928.

TABLE XII—ADMISSIONS TO STATE HOSPITALS FOR MENTAL DISEASE DURING THE YEARS 1926, 1927, 1928, 1929, AND 1930, CLASSIFIED BY SEX, ACCORDING TO ALL TYPES, WITH ALCOHOLIC PSYCHOSES ONLY, AND ALCOHOLISM WITHOUT PSYCHOSIS

	All Types			With Alcoholic Psychosis Only			Alcoholism Without Psychosis		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<i>1926^a</i>									
First admissions..	52,793	30,793	22,000	2,250	1,995	255	393	374	19
Readmissions.....	12,555	6,713	5,842	488	421	67	103	96	7
Total admissions	65,348	37,506	27,842	2,738	2,416	322	496	470	26
<i>1927^b</i>									
First admissions..	56,288	32,873	23,415	2,656	2,346	310	564	510	54
Readmissions.....	13,030	7,041	5,989	527	460	67	174	167	7
Total admissions	69,318	39,914	29,404	3,183	2,806	377	738	677	61
<i>1928^a</i>									
First admissions..	59,417	34,968	24,449	2,770	2,438	332	1,126	1,055	71
Readmissions.....	13,971	7,592	6,379	535	465	70	266	239	27
Total admissions	73,388	42,560	30,828	3,305	2,903	402	1,392	1,294	98
<i>1929^a</i>									
First admissions..	60,339	35,245	25,094	2,693	2,397	296	1,191	1,098	93
Readmissions.....	15,033	8,089	6,944	597	522	75	337	304	33
Total admissions	75,372	43,334	32,038	3,290	2,919	371	1,528	1,402	126
<i>1930^a</i>									
First admissions..	62,565	37,021	25,544	2,599	2,281	318	1,320	1,216	104
Readmissions.....	15,690	8,598	7,092	631	566	65	485	457	28
Total admissions	78,255	45,619	32,636	3,230	2,847	383	1,805	1,673	132

^a 165 hospitals. See Note 9.^b 163 hospitals. Arkansas and New Mexico missing.

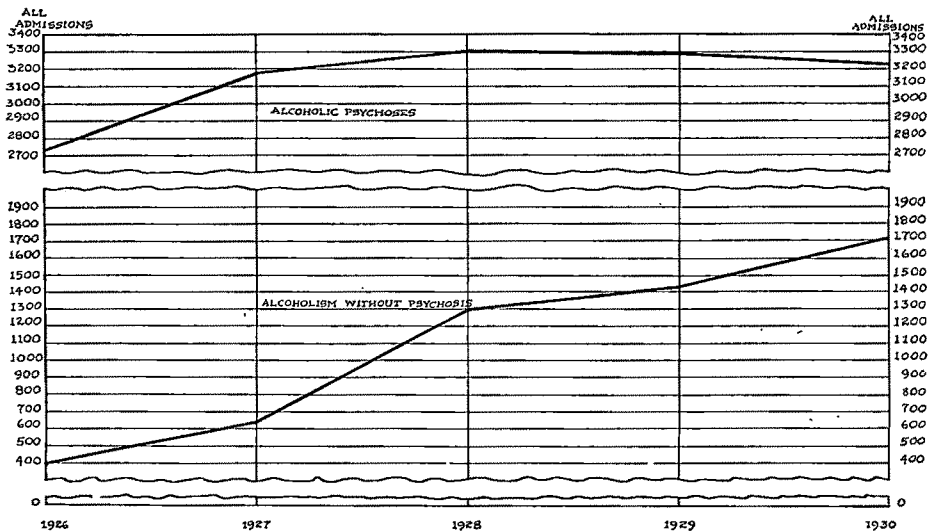
In Table XV the percentages of foreign-born population and of urban population for each state and for the United States are given for the year 1930.

The relationship between the rates of alcoholic psychoses and the percentages of foreign-born and urban population is indicated in Chart 10 for each state, in terms of the amount and direction of the deviation of the rates and percentages for each state from the average rates and percentages for

the United States as a whole. For the alcoholic psychoses the average rates for the three years were used in preference to the rates for any single year.

An examination of Chart 10 shows that in 33 states, or approximately 68 per cent of all the states, the rate of alcoholic psychoses deviates from the average rate for the United States in the same direction as the percentages of foreign-born and urban population deviate from their averages for the United States. In 25 states, all three

CHART 8—ALL ADMISSIONS WITH ALCOHOLIC PSYCHOSES AND WITH ALCOHOLISM WITHOUT PSYCHOSIS TO ALL STATE HOSPITALS FOR MENTAL DISEASE IN THE UNITED STATES DURING THE YEARS 1926, 1927, 1928, 1929 AND 1930



deviations are in a negative direction; that is, all are below the averages; while in 8 states, all three deviations are above the averages. In 3 states the rates of alcoholic psychoses are higher than the average, while the percentages of foreign-born and of urban population are lower; in 3 others this situation is reversed. In the re-

maining 9 states, the deviation of the rate of alcoholic psychoses follows that of the percentage of urban population in 7 and of foreign-born population in 2 states.

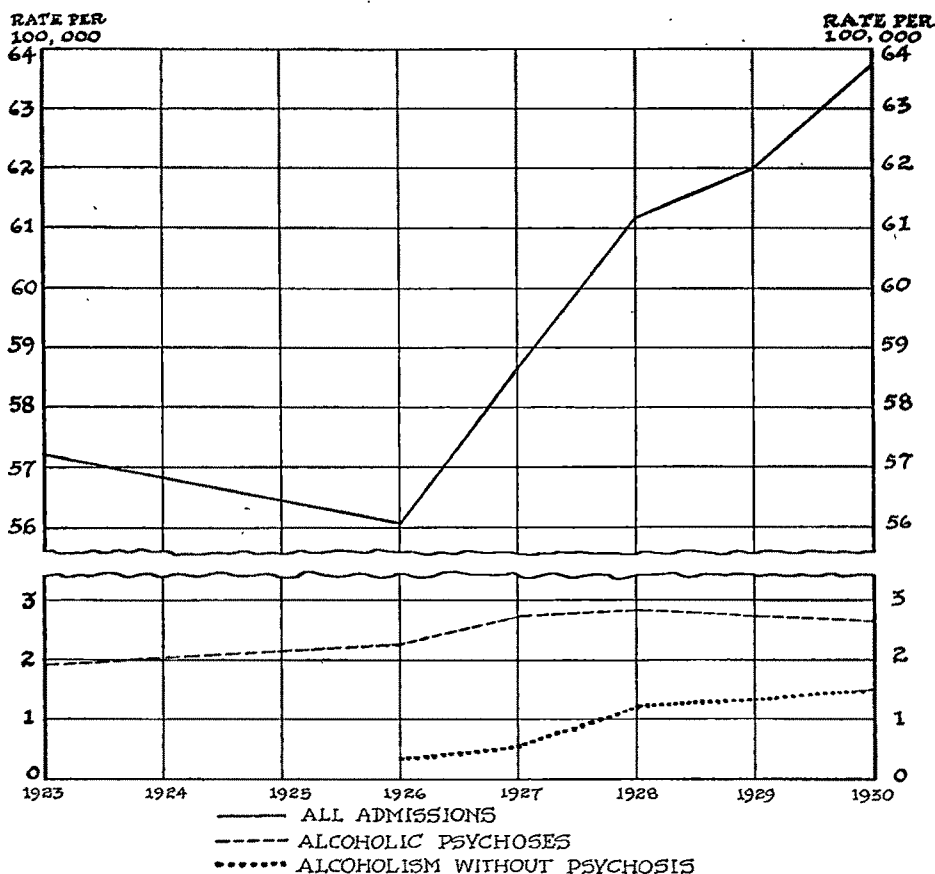
It should be noted that the rates for Missouri, New Jersey, Pennsylvania, and Wisconsin are not strictly comparable with those of other states, in-

TABLE XIII—RATES PER 100,000 OF GENERAL POPULATION OF ALL ADMISSIONS TO STATE HOSPITALS FOR MENTAL DISEASE DURING THE YEARS 1923, 1926, 1927, 1928, 1929, AND 1930, CLASSIFIED ACCORDING TO ALL TYPES, WITH ALCOHOLIC PSYCHOSIS ONLY, AND ALCOHOLISM WITHOUT PSYCHOSIS

Year	All Types			With Alcoholic Psychosis Only			Alcoholism Without Psychosis		
	All Admissions	First Admissions	Re-Admissions	All Admissions	First Admissions	Re-Admissions	All Admissions	First Admissions	Re-Admissions
1923....	57.2	47.0	10.2	1.9	1.6	0.3	a	a	a
1926....	56.1	45.3	10.8	2.3	1.9	0.4	0.4	0.3	0.1
1927....	58.7	47.6	11.0	2.7	2.2	0.4	0.6	0.5	0.1
1928....	61.2	49.6	11.7	2.8	2.3	0.5	1.2	0.9	0.2
1929....	62.0	49.7	12.4	2.7	2.2	0.5	1.3	1.0	0.3
1930....	63.7	51.0	12.8	2.6	2.1	0.5	1.5	1.1	0.4

^a No data available.

CHART 9—RATES PER 100,000 OF THE GENERAL POPULATION FOR ALL ADMISSIONS, ALCOHOLIC PSYCHOSES AND ALCOHOLISM WITHOUT PSYCHOSIS, ADMITTED TO ALL STATE HOSPITALS FOR MENTAL DISEASE DURING THE YEARS 1923, 1926, 1927, 1928, 1929 AND 1930



asmuch as from one fourth to one half of the mental patients in these states are in county hospitals not included in this study. A similar situation exists, but to a lesser degree, in Iowa and Michigan.

STATES "WET" AND "DRY" BEFORE PROHIBITION

It is of interest to consider the above facts in relation to the legal restrictions existing in the several states with regard to the sale and use of alcoholic beverages at the time of the enactment of Federal prohibition.

Of the 25 states in which the devia-

tions of alcoholic psychoses and foreign-born and urban population are all below average, 7 were bone dry, namely, Colorado, Georgia, Idaho, Kansas, Nebraska, South Dakota, and Utah; 13 had state-wide restrictions, namely, Alabama, Arkansas, Indiana, Iowa, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; and 5, Kentucky, Louisiana, Missouri, Vermont, and Wyoming, were wet.

Of the 8 states in which the deviations are all above average, 7, California, Connecticut, Illinois, Massachu-

TABLE XIV—NUMBER AND RATE PER 100,000 OF THE GENERAL POPULATION OF FIRST ADMISSIONS WITH ALCOHOLIC PSYCHOSES TO ALL STATE HOSPITALS FOR MENTAL DISEASE DURING 1930, 1929, AND 1928, BY STATES, WITH AVERAGE RATE FOR THE 3 YEARS AND THE DEVIATION OF THE AVERAGE RATE FOR EACH STATE FROM THAT FOR THE UNITED STATES

State	Number			Rate per 100,000 of the General Population				
	1930	1929	1928	1930	1929	1928	Average for 3 Years	Deviation from Average for U. S.
Alabama	5	8	9	0.2	0.3	0.3	0.3	-2.0
Arizona	2	2	2	0.5	0.5	0.5	0.5	-1.8
Arkansas	46	28	22	2.5	1.5	1.2	1.7	-0.6
California	192	149	255	3.3	2.7	4.8	3.6	1.3
Colorado	3	4	7	0.3	0.4	0.7	0.5	-1.8
Connecticut	112	125	103	6.9	7.9	6.6	7.1	4.8
Delaware	24	21	14	10.0	8.9	5.9	8.3	6.0
Florida	70	77	^a	4.7	5.4	^a	5.0 ^b	2.7
Georgia	9	12	11	0.3	0.4	0.4	0.4	-1.9
Idaho	19	8	4	4.3	1.8	0.9	2.3	0.0
Illinois	334	337	422	4.4	4.5	5.7	4.9	2.6
Indiana	23	25	23	0.7	0.8	0.7	0.7	-1.6
Iowa	53	30	33	2.1	1.2	1.3	1.5	-0.8
Kansas	7	13	13	0.4	0.7	0.7	0.6	-1.7
Kentucky	23	32	18	0.9	1.2	0.7	0.9	-1.4
Louisiana	11	6	4	0.5	0.3	0.2	0.3	-2.0
Maine	12	23	27	1.5	2.9	3.4	2.6	0.3
Maryland	98	69	44	6.0	4.3	2.8	4.4	2.1
Massachusetts	218	264	237	5.1	6.3	5.7	5.7	3.4
Michigan	36	65	38	0.7	1.4	0.8	1.0	-1.3
Minnesota	47	57	54	1.8	2.2	2.1	2.0	-0.3
Mississippi	11	15	18	0.5	0.8	0.9	0.7	-1.6
Missouri	15	19	30	0.4	0.5	0.8	0.6	-1.7
Montana	11	10	13	2.0	1.9	2.4	2.1	-0.2
Nebraska	7	3	6	0.5	0.2	0.4	0.4	-1.9
Nevada	14	12	8	15.4	13.3	9.0	12.6	10.3
New Hampshire	7	11	15	1.5	2.4	3.3	2.4	0.1
New Jersey	86	84	109	2.1	2.1	2.8	2.3	0.0
New Mexico	1	7	2	0.2	1.7	0.5	0.8	-1.5
New York	560	531	543	4.4	4.3	4.4	4.4	2.1
North Carolina	20	16	20	0.6	0.5	0.7	0.6	-1.7
North Dakota	4	16	7	0.6	2.4	1.0	1.3	-1.0
Ohio	161	224	202	2.4	3.4	3.1	3.0	0.7
Oklahoma	32	46	22	1.3	1.9	0.9	1.4	-0.9
Oregon	32	28	31	3.3	2.9	3.4	3.2	0.9
Pennsylvania	123	128	120	1.3	1.3	1.3	1.3	-1.0
Rhode Island	30	39	54	4.3	5.7	8.0	6.0	3.7
South Carolina	12	13	8	0.7	0.7	0.5	0.6	-1.7
South Dakota	9	3	5	1.3	0.4	0.7	0.8	-1.5
Tennessee	24	36	18	0.9	1.4	0.7	1.0	-1.3
Texas	38	28	26	0.6	0.5	0.5	0.5	-1.8
Utah	9	2	5	1.8	0.4	1.0	1.1	-1.2
Vermont	5	6	7	1.4	1.7	2.0	1.7	-0.6
Virginia	18	31	31	0.9	1.3	1.3	1.2	-1.1
Washington	15	21	23	1.0	1.4	1.5	1.3	-1.0
West Virginia	12	22	27	0.7	1.3	1.6	1.2	-1.1
Wisconsin	57	53	60	1.9	1.8	2.1	1.9	-0.4
Wyoming	3	1	6	1.3	0.4	2.7	1.5	-0.8
United States ^c	2,669	2,770	2,770	2.2	2.3	2.3	2.3	0.0

^a No report.

^b For two years only.

^c Totals include the District of Columbia, where there were 9 first admissions with alcoholic psychoses in 1930, 10 in 1929, and 14 in 1928. Separate rates for the District of Columbia are omitted because patients to St. Elizabeth's hospital (Federal) are received from the entire United States. The inclusion of these patients in the totals is necessary, but the numbers are so small that the rates for the various states are unaffected thereby.

TABLE XV—PERCENTAGES OF FOREIGN-BORN AND OF URBAN POPULATION IN EACH STATE AND IN THE UNITED STATES, 1930, WITH DEVIATION OF EACH STATE'S PERCENTAGE FROM THAT OF THE UNITED STATES AS A WHOLE

State	Foreign-born Population		Urban Population	
	Per Cent	Deviation	Per Cent	Deviation
Alabama.....	0.6	-11.0	28.1	-28.1
Arizona.....	15.1	3.5	34.4	-21.8
Arkansas.....	0.6	-11.0	20.6	-35.6
California.....	18.9	7.3	73.3	17.1
Colorado.....	9.7	- 1.9	50.2	- 6.0
Connecticut.....	23.9	12.3	70.4	14.2
Delaware.....	7.1	- 4.5	51.7	- 4.5
Florida.....	4.8	- 6.8	51.7	- 4.5
Georgia.....	0.5	-11.1	30.8	-25.4
Idaho.....	7.2	- 4.4	29.1	-27.1
Illinois.....	16.3	4.7	73.9	17.7
Indiana.....	4.4	- 7.2	55.5	- 0.7
Iowa.....	6.8	- 4.8	39.6	-16.6
Kansas.....	4.3	- 7.3	38.8	-17.4
Kentucky.....	0.8	-10.8	30.6	-25.6
Louisiana.....	1.8	- 9.8	39.7	-16.5
Maine.....	12.7	1.1	40.3	-15.9
Maryland.....	5.9	- 5.7	59.8	3.6
Massachusetts.....	25.1	13.5	90.2	34.0
Michigan.....	17.6	6.0	68.2	12.0
Minnesota.....	15.2	3.6	49.0	- 7.2
Mississippi.....	0.4	-11.2	16.9	-39.3
Missouri.....	4.2	- 7.4	51.2	- 5.0
Montana.....	14.1	2.5	33.7	-12.5
Nebraska.....	8.6	- 3.0	35.3	-20.9
Nevada.....	16.5	4.9	37.8	-18.4
New Hampshire.....	17.8	6.2	58.7	2.5
New Jersey.....	21.0	9.4	82.6	26.4
New Mexico.....	5.7	- 5.9	25.2	-31.0
New York.....	25.9	14.3	83.6	27.4
North Carolina.....	0.3	-11.3	25.5	-30.7
North Dakota.....	15.6	4.0	16.6	-39.6
Ohio.....	9.8	- 1.8	67.8	11.6
Oklahoma.....	1.3	-10.3	34.3	-21.9
Oregon.....	11.5	- 0.1	51.3	- 4.9
Pennsylvania.....	12.9	1.3	67.8	11.4
Rhode Island.....	25.0	13.4	92.4	36.2
South Carolina.....	0.3	-11.3	21.3	-34.9
South Dakota.....	9.5	- 2.1	18.9	-37.3
Tennessee.....	0.5	-11.1	34.3	-21.9
Texas.....	6.2	- 5.4	41.0	-15.2
Utah.....	9.4	- 2.2	52.4	- 3.8
Vermont.....	11.9	- 0.3	33.0	-23.2
Virginia.....	1.0	-10.6	32.4	-23.8
Washington.....	16.3	4.7	56.6	0.4
West Virginia.....	3.0	- 8.6	28.4	-27.8
Wisconsin.....	13.2	1.6	52.9	- 3.3
Wyoming.....	10.2	- 1.4	31.1	-25.1
United States.....	11.6	0.0	56.2	0.0

setts, New Jersey, New York, and Rhode Island, were wet; and the other, New Hampshire, had state-wide restrictions.

Of the 3 states in which the rates of alcoholic psychoses are higher than the average while the percentages of foreign-born and urban population are lower, Delaware was wet and Florida and Oregon were bone dry.

Of the 3 in which the rates of alcoholic psychoses are lower than average while the percentages of foreign-born and urban population are higher, Michigan had state-wide restrictions, Pennsylvania was wet, and Washington was bone dry.

Of the 7 states in which the deviation in the rate of alcoholic psychoses follows that of the percentage of urban rather than of foreign-born population, Maryland, Minnesota, Ohio, and Wisconsin were wet, Arizona and Montana were bone dry, and North Dakota had state-wide restrictions.

Maine and Nevada, in which the rate of alcoholic psychoses deviates in the direction of the percentage of foreign-born population, both had state-wide restrictions at the time of the enactment of Federal prohibition.

Of those states in which the rates of alcoholic psychoses were 3.0 or higher (Table XIV), 1, Florida, was bone dry; 2, Nevada and Oregon, had state-wide restrictions; and the remaining 9, California, Connecticut, Delaware, Illinois, Maryland, Massachusetts, New York, Ohio, and Rhode Island, were wet. Of the states having rates of 1.0 or lower, 6, Arizona, Colorado, Georgia, Kansas, Nebraska, and South Dakota, were bone dry; 9, Alabama, Indiana, Michigan, Mississippi, New Mexico, North Carolina, South Carolina, Tennessee, and Texas, had state-wide restrictions; and 3 states, Kentucky, Louisiana, and Missouri, were wet.

SUMMARY AND CONCLUSIONS

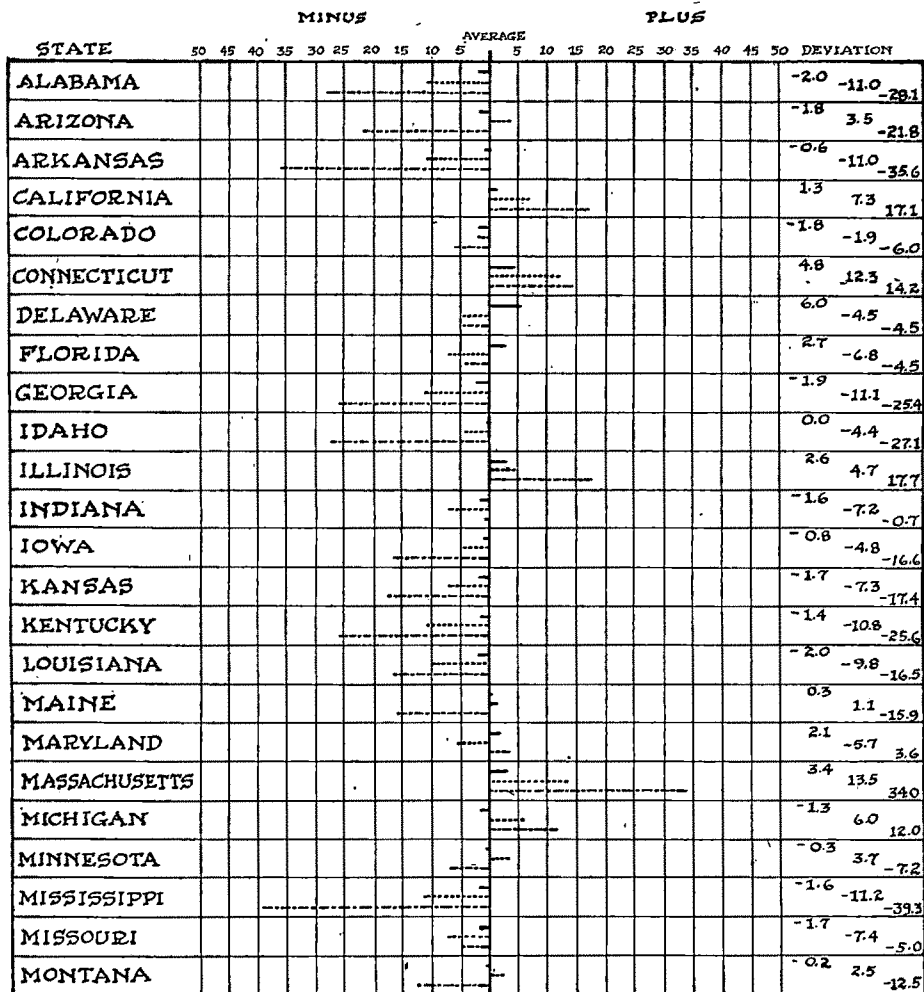
The study of prohibition in relation to mental hygiene with respect to the effects of alcohol as revealed by available statistics of specific mental disorders shows that:

I. Excessive use of alcohol is at the present time a factor of considerable importance in relation to mental deficiency and epilepsy, but no difference has been noted in these classes which could be attributed to prohibition.

II. Among mental patients suffering from alcoholic psychoses and from alcoholism without psychosis, in the groups of hospitals studied:

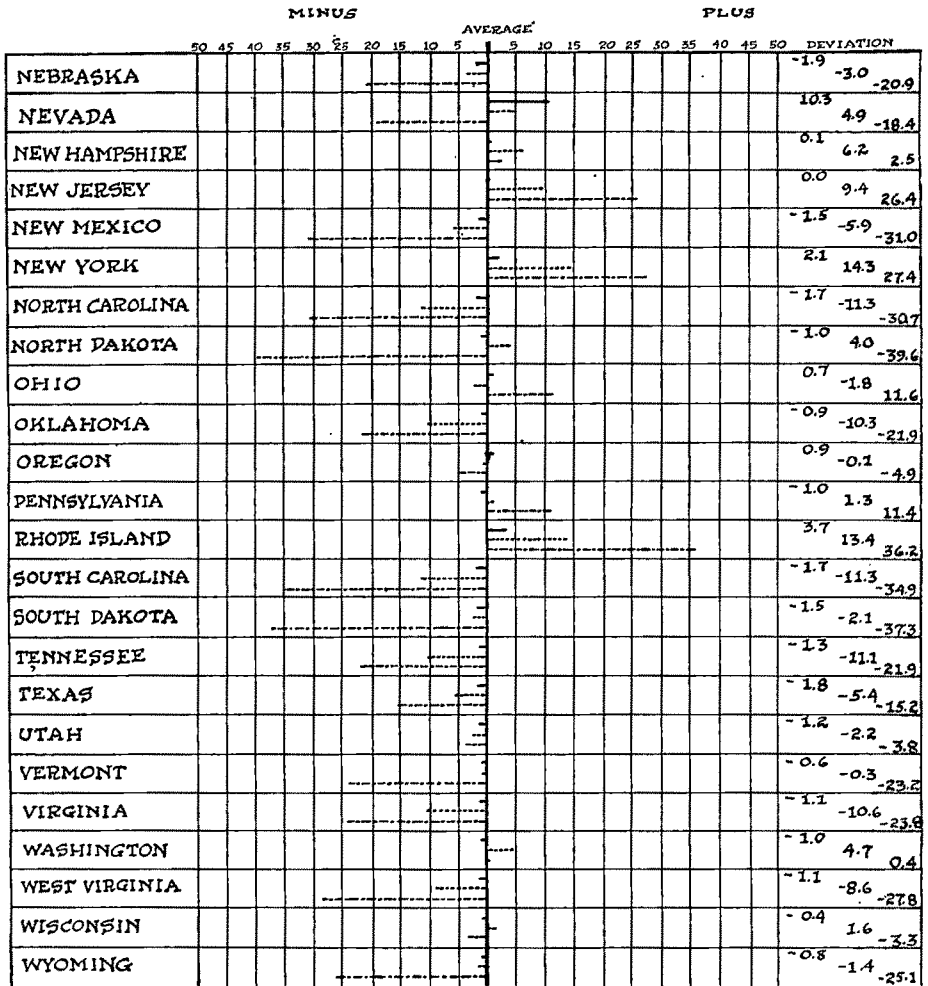
- (a) Certain general hospitals report serious complications resulting from poisons contained in the beverages consumed.
- (b) Certain state hospitals for mental diseases report more young patients than before prohibition.
- (c) Approximately one half of the state hospitals for mental diseases report one or both of the following changes in the clinical picture of alcoholic cases:
 - (1) There are fewer cases of prolonged or chronic hallucinosis.
 - (2) A new type of case is observed in which the alcoholic state is accompanied by poisoning, often fatal in nature.
- (d) A downward trend in the number, percentages, and rates of alcoholic psychoses occurred in the years immediately preceding prohibition, pointing to a decrease in the intemperate use of alcohol during those years.
- (e) Although the percentage as well as the rates per 100,000 of the

CHART 10—RELATIONSHIP BETWEEN FIRST ADMISSIONS WITH ALCOHOLIC PSYCHOSES TO STATE EACH STATE, AS INDICATED BY A COMPARISON OF THE DEVIATION IN



—— ALCOHOLIC PSYCHOSES
 FOREIGN BORN POPULATION
 ----- URBAN POPULATION

HOSPITALS FOR MENTAL DISEASE, FOREIGN BORN POPULATION AND URBAN POPULATION, FOR EACH STATE FROM THE AVERAGE FOR THE UNITED STATES AS A WHOLE



— ALCOHOLIC PSYCHOSES
 FOREIGN BORN POPULATION
 ----- URBAN POPULATION

general population of alcoholic psychoses and intemperate users of alcohol admitted to these hospitals are at present below those of pre-prohibition days, their general trend had been upward since 1920.

III. A marked reduction in alcoholic psychoses is noted in 1919 and 1920. This reduction, it is believed, may be justly attributed to the legal restriction of the sale and use of alcoholic beverages, made effective by the support of public opinion which during the war period had discountenanced self-indulgence of all sorts.

IV. There has been a notable increase in alcoholic psychoses and in deaths from alcoholism in the general population since 1920, and an even more notable increase in cases of alcoholism without psychosis during the past five years. These facts appear to indicate that since 1920, prohibition has become increasingly impotent as a means of preventing excessive use of al-

cohol to an extent productive of serious mental disorders and untimely death.

V. In more than two thirds of the states, the degree of prevalence of alcoholic psychoses is commensurate with the percentages of foreign-born and urban population of those states.

VI. The present general tendency in the prevalence of alcoholic psychoses in the several states is in accord with the trend of public opinion in those states with regard to the restriction of the sale and use of alcoholic beverages as revealed by State legislation existing at the time of the enactment of the Federal prohibition laws.

VII. The trends noted in this study reveal the year 1920 as the point at which the recent history of alcoholic mental diseases, as well as of other alcoholic excesses, may be divided into the periods before and after prohibition. That year marks the end of the decline and the beginning of the rise in the trends of alcoholic mental diseases and of deaths from alcoholism in the general population.

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Prohibition and Economic Welfare

By CLARK WARBURTON

AT THE time of the adoption of the Eighteenth Amendment and the passage of the Volstead Act, it was predicted that these measures would usher in a new economic era. Three years ago the supporters of national prohibition were still claiming that such had been the result, and they were able to cite in support of their claim an apparently remarkable growth in the use of automobiles, bathtubs, electric appliances, and many other goods, and a striking increase in savings deposits and in the volume of life insurance carried.

However, as the current business depression has deepened month by month during the past two years, the voices of the prohibition propagandists have gradually been stilled. In their place there has come an outcry from the opposite camp, proclaiming the belief that the re-legalization of the sale of alcoholic beverages is the magic wand by which prosperity may be restored.

In view of this violent conflict of opinion this article reviews a statistical examination made during the past three years regarding the actual effect of prohibition upon economic welfare in the United States. Since the methods of making this examination and its results have been published in detail elsewhere, only a summary of the principal conclusions will be given here.¹

THE EFFECT OF PROHIBITION UPON PATTERNS OF CONSUMPTION

Prohibition, it has been many times

¹ Warburton, Clark, *The Economic Results of Prohibition*, Columbia Studies in Economics, History and Public Law. Readers are referred to this volume for the data supporting the statements made in the following pages.

asserted by its supporters, has raised the level of economic welfare in two ways: by releasing purchasing power for the purchase of other commodities, and by increasing the efficiency of industry. Underlying both of these arguments is the assumption that prohibition has eliminated, or at least drastically curtailed, the consumption of alcoholic beverages. It is possible, of course, that changes in drinking habits and in the methods of procuring alcoholic drinks have affected purchasing power and industrial efficiency, apart from the quantity of alcoholic beverages consumed. Nevertheless, the claim that prohibition has raised the level of living in the United States rests basically on the assumption that the consumption of liquor has been greatly reduced.

An illegal industry does not publish nor collect statistics of its output or sales, and estimates thereof can be made only indirectly. In the case of alcoholic beverages, the two chief methods are based on the materials apparently used in producing such beverages, and on the death rates from diseases associated with the use of alcohol. Neither of these methods can be considered thoroughly dependable, since in both of them certain assumptions have to be made which cannot be verified. They are, however, the best methods available, and since they are completely independent of each other, each serves as a check upon the accuracy of the other. In Table I the consumption of pure alcohol per capita, as estimated by these methods, is given for each year from 1921 to 1930 inclusive. In

Table II the per capita consumption of beer, wine, and spirits for the same years is given separately, as estimated from the sources of supply. These estimates do not include consumption from private stocks acquired prior to the adoption of prohibition, and are therefore too low for the early years.

TABLE I—ESTIMATES OF THE PER CAPITA CONSUMPTION OF PURE ALCOHOL FOR BEVERAGE PURPOSES IN THE UNITED STATES, 1921 TO 1930

Year	Estimated from Sources of Supply (Gallons Per Capita)	Estimated from Death Rates from Alcoholism and Cirrhosis of the Liver (Gallons Per Capita)
1921.....	.26	.82
1922.....	.91	.92
1923.....	1.17	.97
1924.....	1.09	1.02
1925.....	1.13	1.07
1926.....	1.23	1.11
1927.....	1.08	1.15
1928.....	1.23	1.13
1929.....	1.31	1.09
1930.....	1.04	1.09

TABLE II—ESTIMATES OF THE PER CAPITA CONSUMPTION OF BEER, WINE, AND BEVERAGE SPIRITS IN THE UNITED STATES, 1921 TO 1930

(Gallons Per Capita)

Year	Beer	Wine	Spirits ^a
1921.....	1.26	.44	.30
1922.....	1.71	.57	1.54
1923.....	2.24	.95	1.96
1924.....	2.84	.90	1.75
1925.....	3.46	.86	1.80
1926.....	4.21	1.05	1.91
1927.....	5.03	1.08	1.53
1928.....	6.05	1.07	1.75
1929.....	7.11	.89	1.86
1930.....	6.90	.87	1.33

^a Gallons of proof strength, i.e., 50 per cent alcohol by volume.

The effect of prohibition upon the

consumption of alcoholic beverages is shown in Table III, in which the estimated average annual consumption is given for four periods: (1) the last four prewar years, including the fiscal years ending June 30, 1911 to 1914; (2) the years of war-time restrictions, including the fiscal years ending June 30, 1918 and 1919; (3) the early prohibition period, represented by the calendar years 1921 and 1922; and (4) the late prohibition period, represented by the calendar years 1927 to 1930, inclusive.

The years 1927 to 1930 may be considered typical of the permanent effects of prohibition, as contrasted with its temporary effects, and the years 1911 to 1914 may be considered typical as to the consumption of alcohol prior to the prohibition period. If these two periods are compared, we conclude that under national prohibition the per capita consumption of beer has declined by about 70 per cent, but that the consumption of wine has increased about 65 per cent, and that of spirits about 10 per cent. In prewar times about half the total consumption of alcohol was in the form of beer. The drastic decline in the consumption of beer under prohibition has consequently resulted in a net decline of about 30 per cent in the consumption of pure alcohol, despite the increased consumption of wine and of beverage spirits.

In view of the relatively high prices of all kinds of alcoholic beverages in recent years, it may seem surprising that the consumption of wine and of spirits remains so great. Wine, however, is the easiest of the various types of alcoholic beverages to make at home, and when so made, is not expensive. The high price and inconvenience of purchase, and the difficulty of home manufacture, have doubtless tended to reduce the consumption of

TABLE III—ESTIMATES OF THE CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE UNITED STATES BEFORE AND AFTER THE ADOPTION OF PROHIBITION ²

(Gallons Per Capita)

Period	Beer	Wine	Spirits	Pure Alcohol
1911-1914.....	20.53	.59	1.47	1.69
1918-1919.....	11.44	.50	.81	.97
1921-1922.....	1.49	.51	.92	.73
1927-1930.....	6.27	.98	1.62	1.14

spirits, but this has been offset by the substitution of spirits for beer, since contraband articles tend to be sold in their most concentrated forms. Another element in the situation up to 1929 was doubtless the prevailing "prosperity," for the consumption of alcoholic beverages has always increased considerably during "good times" and declined during periods of depression.

Beverage spirits, however, have not been the only substitute for beer. Since 1920 the consumption of coffee, carbonated beverages, fresh fruit drinks, and milk has been much higher in each case than in prewar times, and somewhat higher than the projection of the trend of consumption from prewar years.

The consumption of milk, for example, in the New York metropolitan area increased steadily, aside from moderate cyclical fluctuations, from 1885 to 1918 at an average annual rate of half a gallon per capita. From 1918 to 1923, however, the annual growth mounted to two and a half gallons, since which time the rate of increase of half a gallon per year has been resumed. The rapid increase during the years from 1918 to 1923 was sufficient to raise the per capita con-

sumption of milk about nine gallons above what it would have been had the rate of increase prior to 1918 been undisturbed.

The consumption of coffee since the adoption of prohibition has been about two pounds per capita greater than during the decade prior to 1917. It has, however, been practically the same as the consumption of coffee in the early years of the century. Incidentally, it may be noted that the consumption of beer in the early years of the century was considerably below the consumption immediately prior to the World War. It is quite possible, therefore, that from 1905 to 1915 there was a tendency to substitute beer for coffee, and that this has been reversed by prohibition.

The consumption of bottled carbonated beverages is now about four gallons per year greater than it would have been had the trend from 1904 to 1914 been continued. Statistics are not available regarding sales of fountain carbonated beverages, nor of fresh fruit drinks, but there is no doubt regarding a marked increase in their consumption. Cereal beverages, expected at the time prohibition was adopted to be the chief substitute for beer, have declined in importance year by year, and the consumption is now less than a gallon per capita.

It is highly probable, of course, that the consumption of non-alcoholic beverages would have increased in recent

² Figures for the pre-prohibition period for beer, wine, and spirits taken from the *Statistical Abstract of the United States*, 1922, pp. 692-697. Figures for the post-prohibition periods taken from Tables I and II.

years, apart from their substitution for beer. This is especially true of the use of milk and of fresh fruit drinks, due to better understanding of their food values. The growing concentration of population in urban areas, and improved transportation and refrigeration facilities would also have tended to increase the consumption of carbonated beverages and of fresh fruit drinks.

Confectionery, ice cream, and tobacco may also be supposed to have been substitutes for beer. Statistical examination, however, of the trends of consumption of these commodities does not indicate that they have been such to an appreciable degree.

THE EFFECT OF PROHIBITION UPON PATTERNS OF EXPENDITURE

It is even more difficult to make approximately accurate estimates of the total expenditure upon alcoholic beverages in recent years than of the consumption of those beverages. No really adequate sample of prices of alcoholic beverages is available, and there is great variation in the alcoholic content and quality of those sold under given designations. It is known that there is a great range in the retail prices, but no estimates are available

of the quantity of sales at the various price levels. The problem is further complicated by the production of alcoholic beverages at home at low cost, with no good basis for estimating the proportion of the total consumption obtained in this way.

Despite these difficulties, however, an estimate has been made of the national expenditure for alcoholic beverages each year since 1910. Price quotations on various kinds of alcoholic beverages were furnished by newspaper reporters in thirty-three cities, and these were compared with other quotations available. In averaging the quotations submitted special care was taken to eliminate the effect of especially high prices, and the final result was then somewhat reduced in order to avoid any possible overestimate of the average retail price. Estimates were made of the cost of materials used in the home production of alcoholic beverages; and it was assumed, rather arbitrarily, that three fourths of the wine, half of the beer, and one fourth of the spirits consumed are produced at home with an outlay for materials only.

With these data the average cost to the users of alcoholic beverages was estimated in 1929 and 1930 at \$16.00

TABLE IV—ESTIMATES OF THE ANNUAL NATIONAL EXPENDITURE UPON ALCOHOLIC BEVERAGES IN THE UNITED STATES, 1921 TO 1930

(Millions of Dollars)

Year	Beer	Wine	Spirits	Total
1921.....	136	138	528	802
1922.....	188	170	2,704	3,062
1923.....	250	235	3,504	4,039
1924.....	321	268	3,168	3,757
1925.....	398	253	3,312	3,963
1926.....	490	280	3,568	4,338
1927.....	595	325	2,896	3,816
1928.....	726	330	3,360	4,416
1929.....	864	280	3,616	4,760
1930.....	850	298	2,624	3,772

per gallon for spirits, proof strength, \$2.50 per gallon for wine, and \$1.00 per gallon for beer. The average cost in prior years since the adoption of prohibition was probably at least as great as in 1929 and 1930.

If these estimates of average cost of alcoholic beverages are applied to the estimates of consumption for the years from 1921 to 1930, estimates are obtained of the annual national expenditure for alcoholic beverages. This estimate is given in Table IV.

Estimates of the probable amount of the liquor bill, had national prohibition not been adopted, can be made from the consumption and expenditures in pre-prohibition years, allowance being made for increased costs of production and higher taxes. When such estimates are compared with the estimates of actual expenditures, the conclusion appears inescapable that the national expenditure for alcoholic beverages under prohibition differs but little from what it would be without prohibition. Though the consumption of pure alcohol per capita has been reduced by 30 per cent, the higher prices paid for liquor purchased from bootleggers and at speak-easies keep the total expenditure as high as it would be without prohibition.

During the first two years of prohibition, when it was more effective than in recent years, the total liquor bill was reduced, as nearly as can be estimated, about two billion dollars per year. This sum is about equal to the total sugar bill in 1920, and considerably less than the sum spent on the purchase of new automobiles in that year. However, the rapid rise in prices during the first year after the adoption of prohibition far more than offset the purchasing power released by reduction in the amount spent for alcoholic beverages, so that the benefits to general purchasing power were lost in price inflation.

During the depression of 1921 the national expenditure upon liquor remained low, but the resulting release in purchasing power was small compared with the loss of purchasing power due to business depression. With the revival of business the illegitimate liquor traffic increased with extraordinary rapidity; so that there has been little difference between the actual expenditure upon alcoholic beverages and the amount that the Nation would have been spending for them without national prohibition. There is thus no basis, so far as can be determined by statistical analysis, for the contention that reduced expenditures upon alcoholic beverages were responsible for the very large sales of automobiles, electric appliances, and other goods during the years from 1923 to 1929, or for the general prosperity of those years.

The total liquor bill in 1929 was apparently an all-time record, and may be estimated at between four and a half and five billion dollars. It was reduced considerably in 1930; and in all probability there was another drastic decline in 1931, due to further restriction of consumption and to reduced prices.

But though prohibition has not resulted in a reduction of the total liquor bill, it has, judging from such evidence as is available, shifted the proportions of that bill expended by various classes of the population. The wage earning class, which prior to prohibition was probably responsible for about two fifths of the liquor bill, now probably contributes not over one fifth of it. The salaried, professional, and business class, formerly responsible for about half the total liquor bill, now contributes about three fourths of it.

That is, the release in purchasing power among wage earners on account

of the reduction in their consumption of beer has been offset by an absorption of purchasing power from the business, professional, and salaried class in higher prices paid for beverage spirits. The latter class, which takes in about 30 per cent of the population and includes most of the families in the Nation with incomes of more than twenty-five hundred dollars, purchases the major part of all goods sold other than the primary necessities of life. The absorption of purchasing power from this class is just as important, so far as general prosperity is concerned, as the release of purchasing power among the wage earning class.

THE EFFECT OF PROHIBITION UPON INDUSTRIAL EFFICIENCY

The argument that prohibition has increased the efficiency of industry does not rest wholly on the assumption that the national consumption of alcoholic beverages has been drastically curtailed. It may be supposed that the reduced consumption of alcohol by the wage earning class would increase industrial efficiency, even though the general level of consumption of alcoholic spirits had not been lowered. Moreover, a change in drinking habits and customs might result in increased efficiency, apart from a change in the quantity of alcohol consumed. The chief effect of alcohol is on the central nervous system, and the degree of this effect depends on the concentration of alcohol in the blood, which increases almost immediately after taking a drink, and is eliminated gradually over a period of a few hours. A decrease in the consumption of alcohol, therefore, during or immediately preceding working hours, should be accompanied by greater skill at work, even though there be more drinking at home or with friends in the evening.

If changes in the consumption of

alcohol do have a measurable effect upon industrial efficiency, there should be a negative correlation between annual changes in that consumption and in the output per person in industry. Measures of general industrial efficiency are not available; the best indication thereof being Mr. Leo Wolman's index of output per person in manufactures from 1899 to 1907.³ In Table V this index is compared with indexes of the consumption of alcohol and of the consumption of beer.

So far as manufacturing industries are concerned, there appears to have been no correlation, for the pre-prohibition period from 1899 to 1919, between annual changes in the index of output per person and in the per capita consumption either of alcohol or of beer. In 1918 and 1919, when the consumption of alcohol was greatly reduced on account of war-time restrictions, there was no rise in the index of output per person in manufactures; and in fact that index stood, during both of those years, 12 per cent below the level of 1915 and 1916. Nor did the index of output rise significantly during 1920 or 1921, when prohibition was most effective in curtailing the consumption of alcohol. It was not until 1922, about three years after national prohibition came into force, that the output per person increased to a significant degree. In that year, output per person was increased about 20 per cent; and another marked increase occurred in 1925.

Thus, while output per person in manufactures has been on a distinctly higher level in recent years than prior to the adoption of prohibition, it is not possible to attribute this change either to reduced consumption of alcohol or to changed drinking habits on account of prohibition. On the other

³ Wolman, Leo, "Labor," in *Recent Economic Changes in the United States*, ch. 6, p. 454.

TABLE V—INDEXES OF INDUSTRIAL PRODUCTIVITY AND OF ALCOHOL CONSUMPTION⁴
(1911-1914=100)

Year	Output per Person in Manufactures	Per Capita Consumption of Alcohol	Per Capita Consumption of Beer
1899.....	90.3	75.7	74.0
1900.....	86.9	81.7	78.2
1901.....	92.0	81.7	77.7
1902.....	93.4	88.2	83.5
1903.....	91.0	90.5	85.9
1904.....	93.9	91.7	87.1
1905.....	102.3	90.5	87.6
1906.....	103.0	97.0	95.0
1907.....	98.0	103.6	100.0
1908.....	91.7	97.0	98.5
1909.....	99.0	92.3	92.7
1910.....	98.2	97.0	96.3
1911.....	93.4	100.6	100.8
1912.....	103.5	98.2	97.5
1913.....	105.0	101.2	100.9
1914.....	98.0	98.8	100.8
1915.....	106.1	86.4	89.6
1916.....	107.7	89.3	86.6
1917.....	99.2	97.0	88.5
1918.....	94.6	66.9	72.4
1919.....	94.4	47.3	39.0
1920.....	97.5		
1921.....	96.9	32.0	6.1
1922.....	116.1	54.4	8.3
1923.....	119.7	63.3	10.9
1924.....	120.1	62.7	13.8
1925.....	131.3	65.1	16.9
1926.....	134.3	69.2	20.5
1927.....	135.0	66.3	24.5

hand, these figures do not prove that prohibition has had no effect on industrial efficiency. All that they show is that changes in technology, business management, and business conditions have so much effect upon

the output per person in manufactures that the effect of prohibition is not revealed in the statistics. All that can be said is that there is an absence of statistical evidence regarding the alleged beneficial effect of prohibition upon industrial efficiency.

⁴The index of output per person in manufactures is that of Mr. Leo Wolman, with the base shifted; those of the consumption of alcohol and of beer are based on the per capita estimates of consumption made by the Bureau of Internal Revenue and on the author's estimates of consumption of alcoholic beverages since the adoption of prohibition. The index of output per person refers to calendar years; those for the consumption of alcohol and of beer refer to fiscal years ending June 30 for the period from 1899 to 1919, and to calendar years for the period from 1921 to 1927.

THE EFFECT OF PROHIBITION UPON ACCIDENTS

It is difficult to make a statistical examination of the effect of prohibition upon industrial accidents, both because of the inadequacy of industrial accident records and because of the influences other than the use of alcohol which affect the frequency of accidents. In

Table VI there is given an index of accident frequency rates in the United States since 1913, based on the limited data available, and indexes of the consumption of alcohol and of beer.

1928, the years in which the consumption of alcohol declined.

It is not proper, of course, to credit prohibition with the marked reduction in the accident frequency rate in 1929

TABLE VI—INDEXES OF ACCIDENT FREQUENCY RATES AND OF ALCOHOL CONSUMPTION

Year	Accident Frequency Rate (1913-14=100)	Per Capita Consumption of Alcohol (1911-14=100)	Per Capita Consumption of Beer (1911-14=100)
1913.....	101.5	101.2	100.9
1914.....	98.3	98.8	100.8
1915.....	93.1	86.4	89.6
1916.....	102.7	89.3	86.6
1917.....	103.4	97.0	88.5
1918.....	91.8	66.9	72.4
1919.....	86.3	47.3	39.0
1920.....	89.7		
1921.....	80.2	32.0	6.1
1922.....	84.8	54.4	8.3
1923.....	86.9	63.3	10.9
1924.....	81.3	62.7	13.8
1925.....	79.2	65.1	16.9
1926.....	73.7	69.2	20.5
1927.....	63.8	66.3	24.5
1928.....	57.7	69.8	29.5
1929.....	55.8	71.0	34.6
1930.....	41.6	63.3	33.6

It will be noted that both prior to and since the adoption of prohibition there is a tendency for the annual changes in the indexes of accident frequency rates and of alcohol consumption to move together. During the period from 1913 to 1919, both indexes decline for two years, advance for two years, and decline the other two. Moreover, the declines in the index of accident frequency rates are the greatest in those years when the consumption of alcohol declined most rapidly. The only years since 1921 during which the accident frequency rates have increased were 1922 and 1923, the years when the consumption of alcohol increased most rapidly; and the years with the most marked decreases in industrial accidents were 1927 and

and 1930 to a level about half that prevailing from 1913 to 1917. This reduction has been due chiefly to the attention paid to safety measures by executives in recent years, and has occurred for the most part since 1925, rather than immediately following the introduction of prohibition. It is possible, moreover, that the observed correlation between the annual variations in the accident frequency rate and the consumption of alcohol is due to the fact that both tend to rise during periods of industrial expansion and to drop during periods of business depression, rather than to the direct effect of the use of alcohol upon the frequency of accidents.

The statistical data regarding automobile accidents are still less amenable

to analysis than those in regard to industrial accidents. Reliable figures are available only for fatal motor vehicle accidents, and the relation of those accidents to changes in the consumption of alcohol is completely masked by the stupendous growth in the use of automobiles since 1920 and the sharp increase in the number of accidents on that account. Figures regarding the revocation of licenses for driving or for causing accidents while under the influence of alcohol, and those attributing accidents to the use of alcohol, are available in a few states; but these figures are not available for the period prior to prohibition, and are also seriously affected by the growth in the use of automobiles and changes in the regulations concerning their use. They do not therefore reveal the effect of prohibition upon automobile accidents.

CONCLUSIONS

Prohibition has had far less effect upon economic welfare than is claimed either by its supporters or by its opponents. In fact, its influence upon economic welfare has been relatively small.

Alcoholic beverages are easily produced from a wide variety of materials, they can be sold in a concentrated form with a high value in relation to bulk, and there is a widespread demand for them. They are thus admirably

adapted to contraband traffic. Under these conditions national prohibition has not curtailed the consumption of strong drinks nor of wine. The consumption of beer, however, has been drastically reduced, other beverages, principally coffee and milk, serving as partial substitutes.

The national liquor bill is approximately as great as it would be without prohibition, reduced expenditures by the wage earning classes for beer being offset by increased expenditures for beverage spirits by the business, professional, and salaried classes on account of higher prices. While many working-class families have doubtless benefited by spending money for other things instead of for alcoholic beverages, prohibition had little to do with the prosperity of the Nation from 1923 to 1929 and the increased purchases during those years of many types of luxury and semi-luxury goods.

Prohibition may have increased industrial efficiency and reduced accidents, both on account of the reduced consumption of alcohol by the working classes and on account of changed habits of drinking. However, statistical evidence that this has occurred is lacking, any such effect being overwhelmed by the effects of changes in industrial technique, business management, and fluctuations in business conditions.

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Prohibition and Economic Change

By DEETS PICKETT

IN a democracy, one of the most common recourses of the demagogue is to the "after the thing, because of it" argument. It is the day of "outlines"; calm, deep thinking, undisturbed by the urge of immediate necessity, is rare. During ten years of boundless prosperity, the prohibitionist was tempted to appeal to the man who reads as he runs by means of scintillating comparisons between things as they were before 1920 and the more abundant satisfactions of the post-prohibition decade. At the present moment, the shoe is on the other foot and is being used to plant thumping kicks in the direction of the prohibition policy. "See the mess into which the Drys have gotten us," say the Wets. "If we only had beer and wine again, the Federal deficit would disappear, the unemployed would vanish from our streets, and prosperity would smile upon a contented people."

"Comparisons are odorous," said Dogberry, and no comparison is more "odorous" than that which is based upon a single factor, which makes no requirement of like places, like conditions, or like times. It is nothing whatever to be said for prohibition that times were prosperous from 1920 to 1929. It is still less an argument against it to say that times are now distressing. The prohibition factor must be pushed into its proper place in a long line-up of factors which are responsible for this, or were responsible for that.

It is, however, quite possible to define the place and assess the importance of prohibition in the general economic scheme.

The National Prohibition Act, commonly known as the Volstead Law, went into effect in January 1920, having been preceded by several months of war-time prohibition. The last few years of the legalized liquor traffic constituted a period of war-time activity or of feverish readjustment to the ways of peace. It was an era of unusual stimulation of business. The favorable trade balance of the United States had reached heights undreamed of in the prosaic years of the preceding decade. Factories were turning upon the American market the flood of products no longer congesting St. Nazaire and Brest. The prestige of the United States was high. The abounding confidence of the people insured a bull market, not only for the exchange but also for the shops. Every American deemed it his right not only to have the necessities of life but to have its luxuries—many of them new luxuries. This was the period immediately before Federal Constitutional prohibition.

EFFECT ON TRADE AND LIVING STANDARDS

Then came 1920 with a law which closed the breweries and distilleries and 177,000 saloons. There was an immediate change, and, astonishing as it is to relate, that change was not a depression, not a slowing up in commercial and industrial activity, but an immediate influx of vital strength into the whole economic structure. Trade which had been good became better; the entire standard of living of the American people was stepped up to a distinctly higher level. Keep in mind

that this was an immediate effect and that it was coincidental with the coming of prohibition.

The change was fundamental, and at every point had to do with the welfare of the average man. The consumption of milk, for instance, which is of the greatest significance because of its effect upon the development of children, increased only six tenths of a gallon from 1917 to 1920; but from 1920 to 1925, the increase was 11.75 gallons per capita annually. This increase in the use of milk was attended by a similar increase in the use of butter and of leafy vegetables and fruits from the South and the Pacific Coast. The diet of the American people became almost at once, as soon as prohibition had decreased the expenditures for liquors, a more varied, nourishing diet, one better adapted to promote the public health.¹

The housewife also profited without delay, the use of electrical contrivances and other conveniences in housekeeping becoming general among the working and small-salaried classes, and while it is true that this was somewhat affected by the accomplishments of mechanical engineering, it will hardly be challenged by anyone that the development is also due in large part to the release of saloon expenditures for family uses. The American family has never before been so well housed as it has been since prohibition. That the improvement is due to a considerable degree to the new law is indicated by the disproportionate growth of building and loan assets during the past decade. In 1910, these totaled \$945,569,000; in 1920, \$2,534,320,000; and in 1929, \$8,695,154,000.²

About the same time, the American father became more concerned for the future of his children. The per capita

cost of public schools approximately doubled between 1920 and 1928, with a new interest in the development of high schools, and at the same time the American people became tremendously interested in the broadening of college and university opportunities. From 1916 to 1920 the population of our colleges, universities, and preparatory schools increased from 429,362 to 521,754; but since 1920 the figures have reached the astonishing total of 919,381.³

What can explain these sensational economic changes between 1920 and 1929? We were experiencing a normal and rapid development in the decade preceding 1920, but this development was tremendously accelerated immediately the new decade had begun. What is more, it has been a sustained effect, sustained because it has been based upon a fundamental change in the social habits of the people.

EFFECT ON WAGE EARNERS

The index of the wages of the average American wage earner shows an increase of over 43 per cent from 1918 to 1929. In 1918, when the American wage was at a war-time peak, it was indicated by 162; in 1929 the index was 233, although during the same period living costs declined.⁴

American labor was never at a higher level of efficiency than since it has been "robbed of its beer." The United States Bureau of Prohibition quotes the statistics of a manufacturer of powder in the State of Delaware, showing the percentage of employees absent on Monday mornings—"Blue Monday," when the drinker pays for his week-end spree. That percentage in 1907 was 7.41; in 1913, 6.17; and in 1929, 2.35. It would be possible to

³ U. S. Bureau of Education.

⁴ *Monthly Labor Review*, Feb. 1931, U. S. Department of Labor.

¹ U. S. Department of Agriculture.

² Statistical Abstract of U. S., 1930, p. 277.

cite in this article the names of scores of the leading manufacturers in this country who will testify to the good effects of prohibition in increasing the efficiency of labor.

Mr. Chesterton, the English philosopher of paradox, says that this is not an argument for prohibition; it is rather the strongest of all possible arguments against it, for it means that the soulless corporation is coining the liberty and happiness of the workman. Does it necessarily mean that the laborer is worth less to himself or his family because he is worth more to his employer? On the contrary, his increasing worth to his employer has, as we have cited above, been accompanied by a corresponding increase in his value to his wife and children and to himself. Is the liberty of the employe damaged because the removal of the legalized temptation of drink has decreased the labor difficulties of our industries? On the contrary, the best index of the practical liberty of the wage earner is his ability to purchase security for himself and his loved ones by investment in fundamental industries.

A survey of the Board of Temperance, Prohibition and Public Morals in 1931 disclosed that companies having more than 100,000 stockholders in 1930 showed an increase of 243 per cent in the number of stockholders between 1920 and 1930. This very morning, while miserably waiting in the reception room of a dentist, the writer cut from the *Washington Herald* an article by Mr. B. C. Forbes in which he states that fifteen New York bankers report a gain of 9 per cent in the number of stockholders during the past year of depression, and he continues with the information that General Motors has more stockholders than ever before in its history; that the United States Steel Corporation is owned by 7,719 more

men and women than at the close of the previous quarter; that the Radio Corporation of America closed the year with 108,851 stockholders, although only last June the total was under 75,000; and that the Public Service Corporation of New Jersey has doubled its list of stockholders in five years.

In my opinion, we are witnessing nothing less than a social revolution in this country. The laboring men and the salaried men of America are showing the determination and the ability to become the owners of the tools of the Nation—the wielders of the power of wealth—and they are proceeding to do this not by liquidating the bourgeoisie, but by buying this power for themselves and their children. It means that we have today in America established a wage which affords a margin potent with stored energy, an economic margin which can and will remake a society.

PROHIBITION AND THE DEPRESSION

The late lamented Mr. George W. Ochs-Oakes, editor of *Current History* magazine, wrote me some months before his death, saying that prohibition was responsible for the depression and that the fact constituted one of the best arguments for prohibition. "Why don't you show," he suggested, "that prohibition, by placing accumulated savings and increased wages in the hands of those theretofore unaccustomed to them, people who had never participated in stock market transactions, brought about the great bull market which pyramided prices to the heights from which they were bound to topple." To an extent this is true, for it is common knowledge that people were "in the market" during those hectic years who had never before had funds to invest, people who were not competent to determine the fundamental values of stocks, but who had a

profound and boundless faith in the United States and its future.

We have a depression; but after all, it has been truly said that this depression, terrible as it is, is only a dent in prosperity compared with the distressing conditions which have been practically stabilized in some European countries. We have a depression; but in the midst of the depression itself, the American standard of living remains not only higher than elsewhere in the world, but far higher than it was before prohibition. People are hungry, but those who are not hungry remain the best-fed people on all the world's surface. This depression after all is simply a new starting point for the American people, a place at which to pause a moment, consider the follies of speculation, and move forward, wiser and stronger.

WOULD BEER TRADE RESTORE PROSPERITY?

Let us consider the present contention of the opponents of prohibition that the reestablishment of the beer trade would provide needed revenue, employ idle labor, and afford the farmer a badly needed market for various products.

If the beer trade contributes to prosperity, what is responsible for the state of affairs in Germany, which has been stimulated by the investment of billions of American money since the war, and which nevertheless is in dire distress? What is responsible for the fact that in Great Britain, where beer flows freely, millions of workers are dependent upon public or private charity?

The average number of wage earners employed in the manufacture of malt liquors in the year 1914, when Federal prohibition was hardly in immediate prospect, was 62,070, and these men received an aggregate income of \$53,-

244,000. The number of wage earners thus employed had declined to 34,259 by 1919, and in 1921, after prohibition, numbered 18,551.

In addition, the volume *Occupational Census*, Bureau of the Census, reported for the year 1910 the employment of 101,234 bar tenders and 68,215 saloon keepers. There is no report which shows the indirect employment afforded by the brewing industry.

It is therefore probable that the restoration of the manufacture and sale of intoxicating beer would provide employment for a minimum of 62,000 workers in manufacture and 170,000 saloon keepers and bar tenders or similar wage earners under more euphonious names.

Would the employment of these men mean a net increase in employment? We do not believe it would.

Beer of considerable alcoholic content is, in its nature, a commodity which tends to promote its own use. When its manufacture was prohibited, an immediate increase was noted in the consumption of milk, vegetables, fruits, sweets, dry goods, and various household and personal conveniences and luxuries. The wage earner has only a certain income at his disposal. If he devotes a part of this income to the purchase of beer, he must of necessity decrease his expenditure for food supplies, dry goods, household equipment, and luxuries for himself and family, or he must decrease his contribution to the accumulations of capital which are invested for production, thus indirectly reducing the employment of laborers and the use of raw material.

Let us consider a specific case: John Jones has an income of \$200 a month. In these prohibition times he has been accustomed to expend 25 per cent of this amount for his family's food supply, and the remainder of his modest

income is required to purchase clothing, pay rent, provide light and heat, pay installments on a car and a small radio, and afford recreation for his children. If the manufacture of intoxicating beer is legalized and the saloon or other liquor store is opened in the community, providing employment for a saloon keeper and a bartender, Jones patronizes this store and treats his friends; his appetite for alcohol is stimulated, and he seeks stronger liquor. Soon his expenditures of this character become so considerable that he finds it absolutely necessary to defer the purchase of a vacuum cleaner for his home, to economize on his supply of milk and butter, and to make his suit and his wife's winter coat last longer. The grocer, the dealer in dry goods, the automobile manufacturer and dealer, all are affected, and, there being in the aggregate many men who have thus readjusted their expenditures, these producers of legitimate and healthful commodities find it absolutely necessary to decrease their working forces.

What we have, therefore, is the creation of a limited labor market by the restoration of the beer traffic, and the destruction of a much larger market by the injury done to other industries. How then can the displacement of capital suggested by the manufacturers of beer cause an improvement in the employment situation?

Long ago, Adam Smith said:

All the labor expended producing strong drink is utterly unproductive; it adds nothing to the wealth of the community. A wise man works and earns wages, and spends his wages so that he may work again. Employers, taken all around, do not pay more wages to total abstainers, but the latter contribute more to their own and fellow workers' wages fund than do the drinkers.

Every bit of material used in the manufacture of liquor was destroyed,

so far as its value to the world is concerned. Every dollar of wages paid represented waste of valuable time which should have contributed to the world's wealth. Every cent paid for liquor over the bar represented loss.

No trade can be accounted of value to the nation if it merely produces or supplies consumption. It must also contribute to the conservation of products and energies, making its output reproduce all of the material and labor it represents and add something to the nation's reserve of wealth.

WHAT IS THE INTEREST OF THE FARMER?

The truth is that the farmers have gained rather than lost by the prohibition of the manufacture of beer. They have well realized this themselves, and their leaders, who are best acquainted with agricultural problems, are opposed to the repeal of prohibition. It is erroneous to say that barley lands have been turned to the growing of wheat and have created a surplus which has depressed the price of that basic commodity. Farmers have not been turning their barley fields into wheat fields. The largest acreage devoted to barley prior to 1920, the first prohibition year, was 9,740,000 acres, while in 1929, the farmers used 13,068,000 acres for the production of barley. It is of further significance that barley averages from 20 to 28 bushels per acre, while wheat averages from 12 to 17 bushels per acre.

When the Committee on Judiciary of the House of Representatives of Congress held hearings in the Spring of 1930, one of the witnesses was Mr. Louis J. Taber, master of the National Grange, who spoke by instruction of his executive committee for eight thousand subordinate granges, and nearly one million members in thirty-four states. His testimony was convincing as well as unusual. "The surplus in

pre-prohibition days," he said, "was a greater problem than now." And speaking of the manufacture of whisky as well as of beer, he stated that in liquor-making days the surplus of corn went as high as 9.9 per cent, and that the average for the eight wet years was much higher than for the first eight years under national prohibition; that the average price per bushel of corn in the heyday of distilling was 59 cents, and since prohibition has been 72 cents. The price of rye in the wet years, including the war period, said Mr. Taber, ran from 39 to 86 cents; but the price since prohibition up to the time he testified, had been from 65 cents to \$1.25. Tables submitted by Mr. Taber and credited to the United States Treasury Department, Bureau of Internal Revenue, showed that the farm materials used in fermented liquors for the year 1917 (wet) was 3,924,885,457 pounds, and of this, 2,770,964,606 pounds was malt, produced from barley. The loss of this market to the farmer, said Mr. Taber, has been much more than made up by the increased use of sugar, the greater consumption of meats, with phenomenal increases in the consumption of poultry and eggs, and particularly in the greatly increased consumption of milk. In 1917, Mr. Taber says, the production of beet sugar in the United States was 765,000 tons. But ten years later, under prohibition, the crop was 1,062,000 tons. The per capita consumption of sugar and syrup has risen from 1915 to 1925 from 87.9 pounds to 116 pounds per capita. The per capita beef consumption increased from 56 pounds in 1916 to 58.4 pounds in 1927, with a similar increase in the use of pork.

The agricultural college at Ames, Iowa, which is considered an authority among dairymen everywhere, is cited in support of the assertion that it takes 86 pounds of roughage, hay, grass,

silage, or stover, and 34 pounds of grain to maintain the health and weight of a cow and produce 100 pounds of milk. In view of this fact, the farmer is particularly interested in the increase in the per capita consumption of milk from 754.8 pounds in 1917 to 967.3 pounds in 1927, a net increase of no less than 212.5 pounds of milk. By multiplying the increased consumption of milk (212.5 pounds per capita) by 34 pounds, it becomes evident that the additional grain per person required to produce the increased milk consumed under prohibition is 72.2 pounds, in addition to 182.7 pounds of roughage. Multiplying this by the number of people in the United States, we find that the increased use of milk alone caused the consumption of 8,748,000,000 pounds of grain and 22,113,000,000 pounds of roughage by the dairy cows of the United States.

Certainly, in view of these facts, no disinterested person can support the contention that prohibition has been disadvantageous to the farmer, while the social worker and the health expert will join in saying that the increased use of milk, butter, cheese, and ice cream is of tremendous significance to the public welfare. Indeed, crops taken at random, such as oats, potatoes, hay, rye, peas, buckwheat, rice, honey, vegetables, and fruits, all show increased production and use.

THE QUESTION OF REVENUE

It is not disputed that a restored beer trade could be made a most convenient vehicle of taxation. But every cent of this would come, not from the trade, but from the people. The beer manufacturing and distributing industries would in no sense be the point of origin of these taxes. They would originate in the homes of the land, would be diverted from the tables of the poor, and drawn indirectly from the tills of

legitimate business. There is only one way to lessen the tax burden, and that is to reduce taxes. There is no method of trickery by which a tax upon any "business" can be made to stop in its effects short of the pockets of consumers. The important question in a consideration of the revenue features of the argument are: Is this an expensive or an inexpensive method of taxing the people? Is it or is it not injurious to desirable commerce?

In the days of licensing, the American people were spending at retail approximately \$2,438,000,000 a year for in-

toxicating liquors. Purchase a pint of near beer for 15 or 20 cents and one will not be disposed to dispute the estimate that the American people would pay twice as much for beer by the glass today as they paid in 1916. If the beer trade were restored, we could count upon a retail bill not far short of five billions of dollars a year. If then, we collected one billion dollars in taxes from this trade, we would be contributing to the tax collector four dollars for every one turned into the treasury. It is not a method of taxation which will be defended by any economist.

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Prohibition and Real Estate Values

By JOHN C. GEBHART

THIS is not a speak-easy." This sign recently appeared over the doorway of a private house in one of New York's exclusive residential districts. The indignant owner took this means of protecting his household against the annoyance of inebriated persons seeking refuge in the eight or ten speak-easies in the block. It is, of course, hardly fair to attach too much significance to one incident, but it dramatically illustrates one of the problems brought about by national prohibition.

We are not concerned here with the advantages or disadvantages of the saloon system as a social institution nor with the gains for temperance which may or may not be attributable to the "outlawing of the saloon." That will be covered in other articles in this series. We are concerned here with the shifts in real estate values brought about by national prohibition. It must be confessed that there is probably no other phase of the prohibition question about which so little is definitely known as its effect on real estate. It is with considerable reluctance that we shall attempt to piece together what fragmentary information there is, for the results are bound to be more or less inconclusive.

We shall discuss the problem under four main headings: (1) the re-allocation of real estate in the transition from the saloon to the speak-easy; (2) the effect of prohibition on hotel properties; (3) re-allocation of real estate values in brewery and distillery properties; and (4) confiscation of real estate values by padlock injunctions.

SALOON PROPERTIES AFTER PROHIBITION

In 1923 and 1924 Mr. Robert Corradini made a study of the changes which had occurred in saloon properties in New York City because of the adoption of national prohibition. Mr. Corradini's study attracted considerable attention at the time. It was published in full in the proceedings of the hearings on prohibition in 1926.¹

In this study Corradini set out to prove that the closing of saloons had enhanced real estate values in New York City. He made a field study of several hundred former saloon properties to determine the use to which such properties had been put after prohibition. He divided the properties surveyed into two classes: first, those which "outwardly had the appearance of saloons" but which were largely given over to the sale of soft drinks and food; second, those which had been converted to other uses, chiefly as retail stores. The conclusions of this study may be summarized as follows:

The assessed value of all improved real estate in the Borough of Manhattan increased 21.4 per cent, or, for the number of properties given us, the average increase in assessed value was \$59,059. For 88 properties licensed in 1916 and which in 1923 still had the outward appearance of the former saloons, the average increase was 42 per cent, but the average represents only \$26,357, which shows a decided inferiority

¹ The National Prohibition Law. Hearings before the Subcommittee of the Committee on the Judiciary. United States Senate, 69th Cong., 1st Sess., 1926. Vol. II, pp. 1526-1580.

in quality and value of these properties as compared with the average parcels of real estate in Manhattan. The interesting showing which prohibition makes is for 770 former licensed liquor dispensaries which in 1916 were given over to the liquor traffic, but which by 1923 had changed to legitimate business concerns. The increase for these properties was 66.2 per cent and the average increase of each one was \$127,994. In other words, the saloons which have gone cut of business and have been replaced by post-prohibition concerns show increases of an average of over twice as much as the increase in the average parcel of real estate, the whole city considered. These properties which have changed have increased on an average of about five times as much as those saloons which are still in business. From a real-estate point of view, to keep a saloon running today is the most foolhardy asininity in the business world.²

On the face of it, this study appears to indicate that the properties which continued to operate as saloons increased slightly in assessed value from 1916 to 1923, while those properties which had been converted to other uses showed a much greater increase in assessed value. The distinction is entirely fallacious. The properties which "outwardly had the appearance of saloons" were not operated as bona fide saloons or even as speak-easies in 1923. This is not claimed even by Mr. Corradini. Such properties (only 10 per cent of all saloon sites studied) failed to increase in value at the same rate as other former saloon properties because they were in neighborhoods where there was comparatively little demand for retail store sites. The only use to which they could be put because of the character of the neighborhood was to operate as soft drink stands and cheap lunch counters. The other properties surveyed, frequently corner sites on business streets, were soon taken over for other uses.

² *Ibid.*, p. 1567.

Corradini's study was undertaken at a time when there was a relative scarcity of business sites. Building construction in Manhattan declined during the period from 1916 to 1918, and the increase in building operations was very slight from 1918 to 1922. In 1916 the total value of new buildings erected in Manhattan was \$114,690,145. In 1918 it was only \$8,507,000. There was some building activity from 1919 to 1921, but building operations during the five-year period from 1916 to 1921 were far below normal, and lagged greatly behind the general increase in population and industrial development. If Corradini's study had been made at the present time an entirely different picture would have been presented, because today New York is "overbuilt" so far as business property is concerned. In 1925 the total value of new buildings was \$370,776,504. In 1929 it jumped to \$543,882,265, followed by a drop in 1930 to \$166,733,525.

The increase in assessed values which Corradini shows for former saloon sites is, in our opinion, attributable chiefly to the fact that such sites were greatly in demand, and as soon as they had been vacated, most of them were quickly converted to other uses. Those properties which "outwardly maintained the appearance of saloons" failed to increase in value as rapidly as other properties chiefly because they were in less desirable locations.

Mr. Corradini's study throws no light on the much more important question of whether in the old days saloons tended to depress the values of adjacent properties. There is considerable ground for the contention of Feldman that saloons had this effect in certain neighborhoods.³ Feldman maintains, however, that in industrial

³ Feldman, Herman, *Prohibition—Its Economic and Industrial Aspects*.

areas removed from residential sections, saloons actually increased real estate values in adjacent properties, because the properties were not in demand for other purposes. Indeed, one of the chief reasons for the spread of "no-license" territory under local option was that saloons were considered property destroyers in residential districts. For example, the uniformity which Woody found in "no-license" voting in Massachusetts suburban towns is to be explained largely on this basis.⁴ To a considerable extent, local option was the application of the zoning principle. It offered a means of keeping saloons out of neighborhoods where from a real estate standpoint alone they were undesirable. Provision of state laws forbidding saloons in the immediate neighborhood of churches and schools was another application of the zoning principle. Before prohibition, property restriction by covenants also excluded saloons from high-grade residence districts.

SPEAK-EASIES

To a considerable extent, saloons have been replaced in our large cities by speak-easies. For obvious reasons, speak-easy proprietors usually have not taken over old saloon properties. In the old days saloons were required to keep blinds drawn at a certain level. They were often purposely placed on corner locations to attract trade. The typical speak-easy under prohibition is located in a side street, usually in a basement or on the first floor. In most cases it is kept locked and patrons must be known or introduced to the proprietor before being admitted.

The problem of the speak-easy today is its invasion of residential districts. Mr. Loring M. Hewen, a real estate

operator in New York City, contends that speak-easies are depressing property values in high-grade residential districts in New York City.⁵ Mr. Hewen says in part:

In the crosstown belt between Thirty-fifth and Fifty-ninth Streets, there are many hundreds of the 32,000 speak-easies which the police admit are operating in New York City.

The assessed value of real estate in New York City increased from \$8,626,122,707 in 1920 to \$20,073,060,764 in 1931, and during this period this narrow belt virtually tripled in value. Today this strip supports what is probably the most valuable building development, foot for foot, the world has ever known, and the encroachment of speak-easies, whether of basement dive type or glorified club effect, is costing property owners increasing millions of dollars in rental losses each year. This zone, in fact, has grown too rich to further support speak-easies. . . .

There are today, according to the police, social welfare workers and others who are presumed to know, three speak-easies for each of the saloons of 1917—and none of them are to be found on corners. They have moved around the corners to less conspicuous quarters—into brownstone fronts, smaller business buildings and upstairs along the more important avenues. If the business men of 1917 opposed the proximity of the licensed and regulated saloon which closed at midnight, then how must the present tenants of apartment and other buildings regard the unlicensed and unbridled speak-easy which operates usually at full speed from noon to daybreak next door?

Up to a few years ago speak-easies, save for a few calling themselves clubs or cabarets, rarely encroached on the higher class residential or business streets. But only a few days ago a socially prominent woman was evicted from quarters in the exclusive Sutton Place section for operating a private drinking establishment, and scores of plain and fancy speak-easies are running within a

⁴ Woody, Carroll H., and Samuel A. Stouffer, "Local Option and Public Opinion," *The American Journal of Sociology*, Sept. 1930.

⁵ Hewen, Loring M., "Speak-easies Ruining Midtown Property Values," *Real Estate Record and Guide*, May 2, 1931.

few steps of the most exclusive centers of this zone.

HOTELS

The hotel industry represents an important real estate interest. A large proportion of its investment is in land and buildings. There is considerable evidence that in the early days of prohibition some hotel proprietors believed that the new policy would prove a boon to the hotel industry. Feldman secured considerable information through letters and interviews regarding the attitude of hotel proprietors in 1925 and 1926. His reports show that many hotels before prohibition made their greatest profit from bar sales. With prohibition they had to look elsewhere for profits. Some met this by increasing room rates and devising other services. After 1920 many of the large hotels opened coffee shops and lunch counters to attract a new type of patronage and to increase receipts. Others rented space for retail shops, soda fountains, and other purposes at attractive rentals. Many hotel owners believed that the absence of bars in hotels attracted the patronage of women who shunned hotels in the old days because of the presence of bars.

On the other hand, Feldman found that prohibition brought certain difficulties. Drinking was transferred from bars to private rooms, with the result that the furniture was often badly damaged and guests complained of noisy drinking parties. But on the whole, he seemed to find that the hotel industry had been benefited rather than injured by prohibition.

The hotel industry today, speaking through the American Hotel Association, which represents the bulk of the industry, is vigorously opposed to prohibition and blames it for much of its present financial troubles. At the annual convention of the American

Hotel Association on February 18, 1932, the Association adopted a resolution condemning prohibition and demanding repeal of the Eighteenth Amendment. According to the resolution the hotel industry of America comprises "25,950 hotels, containing 1,521,000 rooms; employing 575,000 persons; with invested capital amounting to \$5,025,000,000." Through various real estate and business taxes, both local and Federal, the hotel industry pays a total tax bill of \$200,000,000 annually, "which taxes have greatly increased through the enactment of the Eighteenth Amendment, because of the loss by the states and Federal Government of the former taxes imposed upon the legal sale of liquor."

The Association attacks the Eighteenth Amendment largely on the ground that

since the enactment of said Eighteenth Amendment, prohibition laws fail to prohibit and the public, insistent upon the service of liquor with food, has been encouraged to patronize so-called clubs, speak-easies and other like places to the exclusion of hotel dining rooms, resulting in tremendous losses to this department of hotel operation, as well as in appalling shrinkages in its invested capital.

The action taken by the American Hotel Association was due in part to the results of a questionnaire circulated among 630 hotel proprietors who were members of the New York State Hotel Association. Out of the total membership, 494 questionnaires or 78.6 per cent were returned. The returns on the questionnaire certainly furnish an adequate sample of the opinion of hotel proprietors in New York State. Of this number, 370, or 74.9 per cent, were for repeal of the Eighteenth Amendment; 21.1 per cent were for modification of the Eighteenth Amendment; and 19, or 4 per cent, were in favor of the continuance of prohibition. The

opinion of hotel proprietors was consulted regarding different forms of liquor sale. Of those replying, 74.6 per cent were opposed to the return of the saloon; 90.5 per cent favored the sale of liquor in restaurants and hotels, while 85 per cent favored the establishment of a definite liquor source, apparently, however, not to the exclusion of the sale of liquors in hotels and restaurants with meals.

No tabulation was made of the replies received regarding the effect of the competition of speak-easies on hotel business. Among those replying to this question, there was almost unanimous agreement that the competition of speak-easies and night clubs had had a marked effect in reducing the restaurant sales of hotels. This feeling was particularly strong in New York City and other large cities in the State. The proprietors who dissented from this opinion were chiefly those operating country hotels; but proprietors of summer hotels complain of the loss of tourist trade to Canada.

It would probably be unfair to attribute the present unhappy plight of the hotel industry solely to the competition of speak-easies. The business depression which has prevailed since the Fall of 1929 has tremendously reduced the demand for hotel rooms. Travel is much less extensive and entertainment much less general than it was in more prosperous times. Probably the greater part of the financial difficulty of hotels is due to the general business depression. It cannot be denied, however, that this situation has been aggravated by speak-easy competition, and that hotels suffered from this form of competition even in the days of prosperity.

BREWERIES AND DISTILLERIES

Probably the most severe dislocation of real estate values because of prohibi-

tion was its effect on breweries and distilleries. In 1914 the breweries of the country had a total investment of \$792,913,659; distilleries had an investment of \$91,285,028, and wineries had a total investment of \$31,516,366. The capital investment of breweries was largely in the form of expensive real estate. Brewery plants occupied large tracts of land, usually on valuable city property. Considerable space was needed for trucks, storage, warehouses, and bins for storing grains. A good deal of the investment in distilleries, on the other hand, was in the shape of stocks of whisky, brandy, and alcohol held in storage for aging and to meet market conditions. In other words, brewing was largely a "hand-to-mouth" industry, while there was an interval of from three to five years between the manufacture of high-grade whisky and its actual distribution. Wine making, a relatively unimportant industry in this country before prohibition, was in much the same position as the distilleries.

Breweries—

As Feldman points out, brewery plants were highly specialized as to both equipment and buildings. It has been found practically impossible to adapt these plants to uses other than those for which they were originally built. Practically the only use to which they could be put was the manufacture of near beer. In 1916 there were 1,332 breweries in the United States. In that year they produced 1,817,642,344 gallons of beer. The manufacture of near beer under prohibition now requires about 5 per cent of the capacity of the plants which were in existence when the Eighteenth Amendment was ratified. In 1921, there were 285,825,830 gallons of near beer legally produced in former breweries. The production has fallen off

tremendously, until in 1931 only 97,243,528 gallons were produced. The number of breweries licensed for the manufacture of near beer ("dealcoholizing plants") has fallen off from 550 in 1922 to 211 in 1931.

It is obvious, therefore, that the near beer industry has been a very minor factor in the utilization of former brewing plants. It would appear that at least 1,000 former breweries have gone out of existence or have been put to quite different uses. Either these breweries have been sold and the sites cleared for other purposes or they have been held in idleness in the hope that eventually either the Eighteenth Amendment would be repealed or the prohibition law changed so as to permit the legal sale of beer. Undoubtedly most of the large brewing plants are carried at a loss today. Some of them, however, have been bought by underworld characters and are used for making bootleg beer.

It is impossible to tell what proportion of the total value of former brewery plants (approximately \$800,000,000) represented real estate. The figures of the United States census of manufactures do not reveal how this capital is invested. It seems reasonable to suppose that at least half of it represented real estate. The rest of the investment was in machinery, equipment, materials, wagons, trucks, and so forth. If we assume, therefore, that approximately \$400,000,000 represented real estate held by former breweries of the country (and this is only a guess) and if we assume that at least three fourths of this property is valueless today and practically unsalable, it would appear that about \$300,000,000 of real estate value has been destroyed through the closing of breweries. It cannot be accurately determined how many of the old brewery properties have been sold at

their full worth and how many have been made over for other uses and are returning a fair percentage on their investment. It appears from Feldman's study that the great majority of brewery properties either are idle or have been sold at a great loss.

Distilleries—

The losses of distillers have been considerably less than those of brewers. Distillery plants, like breweries, are highly specialized plants and cannot be profitably converted to other purposes. Under our present laws, however, distilleries are permitted to manufacture industrial and medicinal alcohol. The shutting off of the distilling of whisky, rum, gin, and brandy for beverage purposes was followed by a great increase in the demand for industrial alcohol. Production during the war years is not, of course, typical, because large quantities of industrial alcohol were needed in the manufacture of munitions. From 1917 to 1919, approximately 50,000,000 gallons were produced annually. In 1914, only 10,404,975 were produced. In 1920, only 28,836,350 gallons were produced; but in 1930, production reached 105,787,537 gallons. In the pre-prohibition régime the distilleries of the country produced annually about 100,000,000 gallons of whisky, 2,500,000 gallons of rum, 3,500,000 gallons of gin, and 8,000,000 gallons of brandy. The total production of distilleries, including industrial as well as beverage spirits, in 1910 was 163,893,960 gallons. The total production of spirits of all kinds, including industrial alcohol, in 1930 was 195,257,114 gallons.

These figures are somewhat deceptive. The transition has been, of course, largely from the manufacture of beverage spirits to that of industrial alcohol. Industrial alcohol, on the other hand, is made largely from

cheaper grades of molasses, and plants can be most economically operated near that base of supply. The bulk of the distilling in the old days was carried on in a few states—Kentucky, Illinois, Pennsylvania, Maryland, and Indiana. These states produced 90 per cent of all the Nation's output of whisky. The states which today lead in the production of industrial alcohol are Louisiana, Pennsylvania, Maryland, and Missouri. It does not follow, therefore, that the distilling plants which formerly made whisky and other spirits for beverage uses can be economically converted into industrial alcohol plants. Before prohibition, Kentucky made over half of the whisky of the country; but it produces no alcohol today. Kentucky has suffered a greater real estate loss through the prohibition of beverage spirits than has any other state. On the other hand, Maryland produces more alcohol today (about 17 per cent of the total); her output of whisky before prohibition was about 10 per cent of the total.

Under prohibition the distilleries of the country are permitted to manufacture and to hold in bonded warehouses spirits for medicinal use, chiefly whisky and brandy. Practically no medicinal spirits were manufactured from 1922 to 1930. In 1930, however, the stocks were so low that the Prohibition Commissioner authorized distilleries to resume distilling in limited amounts.

While it has only an indirect bearing on the real estate aspects of the prohibition question, it should be pointed out also that the distilleries were more favorably situated than breweries because they were permitted to dispose of their large stocks of liquor through legitimate channels. The storing of whisky for aging purposes and to meet market conditions consumed the major portion of the capital investment of distilleries. If the spir-

itous liquors on hand in warehouses in 1919 had been confiscated or destroyed, the losses entailed by distilleries of the country would have run into hundreds of millions of dollars.

The supply of whisky in bonded warehouses at the time prohibition became effective (63,942,931 gallons) in 1919 gradually diminished until in 1931 only 15,179,328 gallons were on hand. Most of this was sold as medicinal liquor, at tremendous profits. There was, of course, especially during the early years of prohibition, a good deal of liquor withdrawn from bonded warehouses on fraudulent certificates, and much of this liquor found its way into the bootleg trade. There is no way of estimating how much of the existing stocks of liquor was disposed of in that way. In any case, the distillers found a market for their goods.

PADLOCKS

The value of properties placed under injunction for violation of the prohibition law is an important element in the re-allocation of real estate values. The padlock injunction is an effective method of enforcement, because for practical purposes it secures a criminal prosecution through a civil procedure. The Federal authorities now padlock between eight and ten thousand premises every year. The exact number is not revealed in the Government's reports for each year, but the number may be roughly estimated from incomplete figures given by the Prohibition Bureau. From 1927 to 1929, padlock injunctions equalled 59.3 per cent of all judgments awarded by the Federal Courts in civil prohibition cases. Assuming that this ratio held for all the years, we may estimate that 35,365 places have been padlocked since 1920.

Attempts have been made to estimate the total value of real estate

placed under injunction for liquor law violations. In our opinion the figures given in Mr. Golden's article, "Prohibition Freezes Realty,"⁶ exaggerate to some extent the value of the property placed under padlock in the year 1930. Our method of estimation is slightly different.

In 1913 there were, according to the United States Brewers' Association, 115,995 places where liquor was sold. Mr. Fox, secretary of the Brewers' Association, estimated that the total rental paid on these properties was \$199,438,996. If we assume that the annual rental represents 10 per cent of the value of the property, the total value of these saloon properties was a little less than two billion dollars (\$1,994,389,960), or an average valuation of \$17,194. This estimate is considerably lower than the estimate given in Mr. Golden's article. He estimates that the average value of premises under padlock in the city of Washington was \$25,000 each, and assumes that the same average would

hold for the entire country. Yet, his estimate may be nearer than ours, because property values have greatly increased since 1913. To be conservative, however, we have used the estimate based on former values of saloon properties.

We have already estimated that 35,365 premises have been padlocked by Federal officers since 1920, and if we assume that the assessed value of these properties is the same as the value of saloon properties in 1913, it may be estimated that the total value of real estate against which injunctions were placed for one year would be \$608,065,810. If the total value of the premises padlocked by the Federal Government is \$608,065,810, the annual rental value would be at least 10 per cent of that amount—\$60,806,581. This represents roughly the annual loss to real estate because of padlocks placed on premises for alleged violations of the prohibition law. In 1930, when the United States Government obtained the greatest number of civil injunctions, estimated at nine thousand, the probable loss was \$10,679,193.

⁶ Golden, Robert W., "Prohibition Freezes Realty," *Property*, Jan. 1932.

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Prohibition and Agriculture

By E. L. KIRKPATRICK and EVELYN G. TOUGH

THE relation of the Eighteenth Amendment to American agriculture is questionable. Likewise the probable effect of the national re-legalization of beer, 3.2 per cent alcohol by weight, has brought forth many controversial statements bearing on the agricultural situation. There are a number of statements in proof and disproof of the point that revision of the National Prohibition Act would benefit the American farmer.

CONFLICTING STATEMENTS

For example, Congressman William E. Hull, in a press release dated January 1, 1932, states that with the re-legalization of beer containing 3.2 per cent alcohol,

the farmer would sell 66,000,000 bushels of barley the first year for the brewing of beer which would increase during the second year and the following years to at least 120,000,000 bushels of barley per year. This would increase the price of grain [presumably barley] 15 cents per bushel.¹

Mr. L. J. Taber, master of the National Grange, informed the Senate Committee on Manufactures that the return of beer would reduce the consumption of milk alone sufficiently to more than offset the additional amount of grain that might be used in the manufacture of beer. He pointed out that under prohibition the per capita consumption of meats, fruits, vegetables, eggs, and sugar has been greatly stimulated. Mr. Taber said:

I want to direct your attention to the fallacy that return of beer can help agricul-

¹ See *Hearings before a subcommittee on Manufactures*, United States Senate, 72nd Congress, 1932, p. 51.

ture or can assist in bringing prosperity. . . . This beer proposal would reduce the farmer's net income and add to rather than take away from present distressing surpluses.

The statements above are indicative of expressions being made by members of different organizations and agencies in the interest of repealing, modifying, or retaining the Eighteenth Amendment. The most pertinent and most convincing statements on both sides of the question appear to be based primarily on the same data. They are somewhat biased and seem to be colored by sentimental fervor of the organization or agency which forwards them.

Any analysis of the probable effects of the modification or repeal of the National Prohibition Act on agriculture is limited to data from two original sources, primarily: the Bureau of Industrial Alcohol, United States Treasury Department, and the Bureau of Agricultural Economics, United States Department of Agriculture. These two sources are drawn upon for this article. The data are considered by specific farm crops or products for the United States as a whole, and for the former wet and dry states in one instance. They are presented for two periods for the most part, 1908-1915 prior to the adoption of the Amendment, and 1921-1928 immediately following its adoption.

BARLEY

The figures for barley show an increase in the amount produced during the years 1921-1928 in comparison with the years 1908-1915, as indicated in Table I. In terms of the average

TABLE I—BARLEY: PRODUCTION, NET EXPORTS, AND AVERAGE PRICE ²

Year	Production (1,000 Bushels)	Net Exports (1,000 Bushels)	Farm Price (Cents)
1908.....	184,857	4,369	55.2
1909.....	187,973	6,725	54.8
1910.....	173,832	4,449	57.8
1911.....	160,240	9,319	86.9
1912.....	223,824	1,116	50.5
1913.....	178,189	17,859	53.7
1914.....	194,953	6,594	54.3
1915.....	228,851	28,608	51.6
Average.....	191,590	9,880	57.2
1921.....	154,946	27,234	41.9
1922.....	182,068	27,535	52.5
1923.....	197,691	21,879	54.1
1924.....	181,575	13,872	74.1
1925.....	216,554	28,504	58.9
1926.....	184,905	30,407	57.5
1927.....	265,882	19,614	67.8
1928.....	357,487	39,251	55.2
Average.....	217,638	26,284	58.2

number of bushels per year for these two periods, the increase amounts to 13.5 per cent. This increase is more than paralleled by an increase in the average amount of net exports, 166 per cent. The average farm price (weighted) shows practically no increase for the second period of production.

A slight shift in the two periods of years shows considerable difference in the average farm price for barley. For example, the decade 1910-1919 shows a price of 70 cents compared to 60 cents for 1920-1929. But the ten-year period 1908-1917 shows a price of 67 cents compared to 69 cents for 1918-1927. Thus, the trends in average prices depend largely upon the periods of years which are chosen for the comparisons.

The percentage increase in the production of barley, 13.5 per cent, is

² Adapted from Statistical Bulletin 29, U. S. Department of Agriculture, Feb. 1930.

about in line with the percentage increase in total population of the United States—14.9 per cent from 1910 to 1920 and 16.1 per cent from 1920 to 1930.

The trend in the amount of barley used in the manufacture of fermented and alcoholic liquors through a fourteen-year period of pre-prohibition and prohibition times is noteworthy. See Table II. The amount used declined from 30.5 per cent of the total crop in 1915 to 1.7 per cent of the total crop in 1928.

For the seventeen wet states, the increase in barley production between the 1908-1915 and the 1921-1928 periods is less pronounced than for the thirty-one dry states. The wet states combined did "hold their own" in the production of barley, but there appear to be no noticeable differences in the estimated average price trends of barley for wet and dry states. Undoubtedly many barley growers in the

TABLE II—BARLEY USED BY BREWERS IN THE UNITED STATES IN THE MANUFACTURE OF FERMENTED LIQUORS AND ALCOHOLIC LIQUORS ³

Year	Barley Used in Manufacture of Liquors (1,000 Bushels)	Proportion of U. S. Crop of Preceding Years (Per Cent)
1915.....	59,409	30.5
1916.....	56,513	24.7
1917.....	77,944	42.8
1918.....	34,445	16.3
1919.....	23,375	9.1
1920.....	8,209	5.6
1921.....	7,499	4.0
1922.....	5,703	3.7
1923.....	5,382	3.0
1924.....	5,830	2.9
1925.....	5,503	3.0
1926.....	5,612	2.6
1927.....	5,059	2.7
1928.....	4,519	1.7

wet states turned to the production of the crop for stock feed rather than for brewing purposes.

The case for barley growers in the event of modification or repeal of the Amendment would be beneficial. Apparently more barley would be grown or a considerable part of that being grown would be diverted to the manufacture of fermented and alcoholic liquors.

An increase in the amount grown in the leading formerly wet states particularly, would be probable. This increased production without doubt might temporarily be disposed of at prices higher than those prevailing during the 1921-1928 period, owing to larger demands by brewers, provided other price factors in the situation were unchanged. No doubt in the long run, supply would surpass the larger demand for barley.

³ Adapted from unpublished thesis, "The Tariff in Relation to the Coarse Feed Grains and a Development of Some of the Theoretical Aspects of Tariff Price Research," Theodore Williams Schultz, University of Wisconsin, 1930.

CORN

But what about corn, the grain of which the largest quantity is used in the manufacture of intoxicating beverages? The figures in Table III indicate that the average annual production of corn increased 8 per cent from the pre-prohibition to the prohibition period; that is, from 1908-1915 to 1921-1928. The amount of corn used in the manufacture of industrial alcohol increased slightly more than 100 per cent. The percentage of the total annual production used for the manufacture of alcohol increased from 1.0 to 1.9 per cent. The average farm price for corn increased from 58.5 cents to 69 cents.

Thus, corn remained "king" after John Barleycorn passed out of the picture. One can scarcely predict the probable effect of change in the Eighteenth Amendment on the corn production of the country, owing to the small proportion of the crop used for the manufacture of liquor during the pre-prohibition and prohibition periods. One can less readily predict the probable changes in the price with possible variations in the amount of corn produced.

RYE

Rye is second to corn in the amount used for distilling purposes prior to prohibition time. The average amount so used constitutes 12 per cent of the total crop for the period, 1908-1915, as shown in Table IV. This percentage declines to less than 2 per cent of the average crop during the period 1921-1928. The average farm price of rye rose from approximately 75 cents per bushel in 1908-1915 to 80 cents per bushel in 1921-1928. Shifts in the two price periods for rye give noticeable differences in the average farm price per bushel.

TABLE III—CORN: PRODUCTION AND USE FOR MANUFACTURE OF INDUSTRIAL ALCOHOL ⁴

Year	Corn Grown (1,000 Bushels)	Industrial Alcohol Manufactured (1,000 Gallons)	Corn Required in Manufacture ^a (1,000 Bushels)	Proportion of Preceding Year's Crop (Per Cent)
1908.....	2,544,957	67,835	27,134	....
1909.....	2,572,336	58,862	23,545	.93
1910.....	2,886,260	68,534	27,414	1.0
1911.....	2,531,488	68,779	27,512	1.0
1912.....	3,124,746	73,630	29,452	1.1
1913.....	2,446,988	78,972	31,589	1.0
1914.....	2,672,804	78,874	31,550	1.2
1915.....	2,994,793	81,101	32,440	1.3
Average.....	2,721,796	72,073	28,830	1.0
1921.....	3,068,569	85,069	34,028	....
1922.....	2,906,020	79,906	31,962	1.0
1923.....	3,053,557	122,402	48,961	1.7
1924.....	2,309,414	135,898	54,359	1.8
1925.....	2,916,106	166,165	66,466	2.9
1926.....	2,691,531	302,272	80,098	2.8
1927.....	2,763,093	184,323	73,729	2.7
1928.....	2,839,959	169,149	67,659	2.4
Average.....	2,943,531	155,648	57,158	1.9

^a On the assumption that one bushel of corn yields 2.5 gallons of liquor.

OTHER CROPS

Percentages of the total crop productions of wheat and oats used for distilling purposes are too small to be indicative in comparisons. Less than one per cent of these crops was distilled prior to adoption of the Amendment. The average farm price of wheat rose from 90 cents for 1908-1917 to 95 cents for 1918-1927, and declined from \$1.30 for 1910-1919 to \$1.20 for 1920-1929.

Hop production decreased irregularly from more than 50,000,000 pounds in 1915 and 1916 to approximately 30,000,000 pounds in 1926, 1927, and 1928. At the same time the consumption of hops by brewers decreased from

more than 30,000,000 pounds to about 3,000,000 pounds.

The prices of hops for 1926, 1927, and 1928 were practically double the prices for 1915 and 1916. The higher price of hops following the adoption of the prohibition act may be due to increased uses of the crops for other than brewing purposes, as well as to decreased production.

Figures on the production and the prices of grapes are not available for pre-prohibition years. Those available for more recent years indicate a fairly stable production and an increase in car-lot shipments from 1922 to 1930. They indicate also a decline in the farm price per ton of grapes during the same period.

The amount of sugar beets grown and the quantities of beet and cane sugar produced show marked increases from 1908-1915 to 1921-1928. Like-

⁴ Adapted from "Corn Statistics," Statistical Bulletin 29, U. S. Department of Agriculture, 1928; and statistics concerning liquor, U. S. Treasury Dept., Feb. 1929.

TABLE IV—RYE: PRODUCTION, AMOUNTS USED FOR DISTILLED SPIRITS, AND PRICE

Year	Rye Produced (1,000 Bushels)	Used in Manufacture of Distilled Spirits (1,000 Bushels)	Average Farm Price (Cents)
1908.....	35,798	3,755	72.8
1909.....	35,406	4,364	72.2
1910.....	34,897	5,042	71.5
1911.....	33,119	5,376	83.2
1912.....	35,664	5,599	66.3
1913.....	41,381	5,828	63.4
1914.....	42,779	5,341	86.5
1915.....	54,050	2,440	83.4
Average.....	39,137	4,718	74.9
1921.....	61,675	188	69.7
1922.....	103,362	85	68.5
1923.....	63,077	5	65.0
1924.....	65,406	91	106.5
1925.....	46,456	97	78.2
1926.....	40,795	13	83.4
1927.....	88,164	7	85.3
1928.....	41,776	7	86.4
Average.....	63,839	62	80.0

wise, the average per capita consumption of sugar rose irregularly from 82 pounds in 1910 to 104 pounds in 1928. The average retail price of sugar was higher for 1921-1928 than for 1913-1915.

SUMMARY FOR CROPS

It is seen that aside from barley, rye, and hops, the modification or the repeal, even, of the Eighteenth Amendment would have little noticeable effect on the amounts or the prices of crops produced. While it should have some bearing on the prices of these and possibly a few other minor crops, it would scarcely affect the crop price situation on the whole.

DAIRY PRODUCTS

What can be said of the probable effect of modification of the Amendment on the dairy industry of America? Mr. Taber shows an increase in the

average per capita consumption of dairy products, from 755 pounds in 1917 to 998 pounds in 1929.⁵ This consumption is in terms of fluid milk or its equivalent. It is less indicative of the real situation, perhaps, than are the amounts of the different dairy products consumed per capita. These are shown in Table V, by years from 1914 to 1930, with a few exceptions.

Butter consumption increased slowly and fairly steadily from the late teens until 1930. Likewise the consumption of fluid milk increased about 25 per cent from 1917 to 1928. Also the use of condensed and evaporated milk shows an increase from 1916 to 1926. Finally, the consumption of ice cream shows a slight increase from 1916 to 1930.

⁵ From typewritten copy "Beer and Prosperity," statement of L. J. Taber, Columbus, Ohio, master of the National Grange, before the Single Committee on Manufactures, 1932.

TABLE V—AVERAGE PER CAPITA CONSUMPTION OF PRINCIPAL DAIRY PRODUCTS IN THE UNITED STATES BY YEARS⁶

Year	Amounts of Different Products Consumed				
	Butter (Pounds)	Cheese (Pounds)	Milk (Gallons)	Condensed and Evaporated Milk (Pounds)	Ice Cream (Gallons)
1909.....	18.0	3.9	....	....	1.0
1914.....	17.0	4.6	....	....	1.7
1916.....	15.4	3.0	....	....	2.1
1917.....	14.6	2.9	42.4	10.5	2.1
1918.....	14.0	3.0	43.0	12.5	2.1
1919.....	14.8	3.5	43.0	12.3	2.5
1920.....	14.7	3.5	43.0	10.2	2.5
1921.....	16.1	3.5	49.0	11.4	2.3
1922.....	16.5	3.7	50.0	12.7	2.4
1923.....	17.0	3.9	53.0	13.3	2.7
1924.....	17.4	4.2	54.7	14.0	2.5
1925.....	17.4	4.3	54.7	14.9	2.8
1926.....	17.8	4.4	55.3	14.3	2.8
1927.....	17.6	4.1	55.3	....	2.9
1928.....	17.3	4.1	56.5	....	2.9
1929.....	17.6	4.6	....	....	3.0
1930.....	17.8	4.7	....	....	2.8

The figures in Table V indicate an increase, although not a startling increase, in the consumption of dairy products with the coming of prohibition. This is the case with fluid milk particularly. It is unsafe to assume, however, that all of this increase is due to prohibition.

Allowance must be made for the effects of research, advertising campaigns, and propaganda concerning the nutritive values of dairy products, directed to increase the consumption of fluid milk particularly. "Food values of milk," "diversified farming," "better sires," and doubtless other propaganda bases have contributed to the production if not the consumption of milk.

Perhaps dairy farmers and manufacturers saw an opportunity for ex-

pansion with the coming of prohibition, and made the most of this opportunity. Would they see less opportunity in case of the doing away with prohibition? The figures available are too limited in scope to indicate just what "the return of beer" would do to the consumption of milk and other dairy products.

Of course other foods—meats, eggs, vegetables, and fruits—are involved in the situation. There are indications of a decreased per capita consumption of meats and an increased use of fresh vegetables.

SUMMARY

It seems extremely difficult, if at all possible, to establish a direct relation between modification of the Eighteenth Amendment and the general agricultural situation. The innumerable types of farming do not permit of the making of any statement that will

⁶ Adapted from "A Handbook on Dairy Statistics," U. S. Department of Agriculture, 1928.

cover all phases of farming. Apparently the question of modification or repeal of the Eighteenth Amendment must be settled, if settled judiciously, on some other basis than that of its effect on agriculture.

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Prohibition and Crime

By JOHN LANDESCO

GANGS and syndicates did not originate with prohibition. In fact, the contraband beer and liquor industry, flanked by its gangster militia carrying on war and peace, was organized by brothel and gambling-house bosses experienced in large-scale vice and gambling operation and in negotiations and arrangements with politicians and officials for concessions. The suppression of the beer and liquor traffic by law followed the same pattern as prosecution under regulatory laws (Sunday closing, midnight closing, and so forth) and the prosecution of organized prostitution prior to prohibition. It is a study in politics and criminal prosecution rather than one of reformation and moral justice.

The overlords of bootlegging received their apprenticeships in the interlocking directorates of syndicates of vice and gambling in the large cities.

PROHIBITION AND ORGANIZED CRIME

Immediately after the Volstead Act went into effect, Torrio, a lieutenant of Colosimo, the pre-Volstead, South Side Vice Syndicate boss in Chicago, organized a city-wide syndicate for the operation of breweries and the convoy of trucks. Torrio's city-wide rule lasted until the end of the first two Thompson Republican administrations (1915-23). Then Dever, a sincere reform Democrat, was elected. He believed in the enforcement of law though he did not believe in prohibition. His policy was to prosecute the big violators instead of the "small fry." It was his chief of police that raided the Sieben brewery, May 19, 1924. This arrest disclosed a convoy composed of gangsters from all of the

gangster areas of Chicago, standing by to conduct cargoes to their respective territories. In the list of those indicted appeared the names both of pre-Volstead brewery owners and of gangster chieftains. In the due course of the prosecution of this case the names of pre-Volstead brewers disappeared, but Torrio and two of his subordinates were convicted.

In the transition days of the prohibition era, gangsters "fronted" for legitimate owners. Later the gangsters "muscled in;" that is, they claimed ownership of the breweries, for which they went to jail when the legitimate owners feared to claim them. The conviction of Torrio broke his prestige as "big fix." Subordinate territorial chieftains then began to encroach upon each other's territories. War started over this and became a war for the overlordship or suzerainty of the city. These beer wars lasted for several years, resulting in hundreds of unsolved gang murders.

The killing of McSwiggin was an event in the beer wars. He was an assistant State's attorney. The prosecution of the McSwiggin case brought Chicago to the realization of the helplessness of the agencies of criminal justice in the face of organized crime. The war lasted until the Capone gang decimated the O'Banion gang led by Moran in the Valentine Day Massacre, when a city-wide organization of the underworld occurred and unsolved gang murders decreased.

When our beer wars were raging, New York was quiescent. Not until a United States District Attorney, Tuttle, who was ambitious to become Governor of New York, began an in-

vestigation of Tammany and graft, followed by a counter-investigation of Tammany by Roosevelt, were the identical patterns of organization by gangs and syndicates disclosed in New York. With this factional and political strife and exposé came a series of gang murders in New York.

THE UNDERWORLD AND POLITICS

The underworld organization is interrelated with and is a phase of political control. When all the machinery of criminal prosecution and investigation is under a permanent, stable political machine, the underworld organization is also quiet and stable. When the machinery of political prosecution is subjected to change and dislocation of control through factional struggle and competition, the underworld organization is dislocated and readjustments must follow. In the interim, gang warfare is likely to occur.

The names which loomed large in the chieftainship of the bootlegging industry were traceable to gambling and vice syndicates which existed under dynasties of rulers or bosses for years prior to prohibition. In gambling in Chicago, the entire period of the thirty years of our study could be traced through one life history—that of Mont Tennes, who began by owning one gambling saloon and ended as a monopolist of gambling through the ownership of the wires for dissemination of gambling news. In the changes of political control there were often exposés and prosecution, but Tennes knew how to readjust himself.

With the beginning of the prosecution of red-light districts in 1911, a Republican mayor in Chicago vigorously prosecuted the South Side vice district, formed under a previous Democratic administration, while at the same time on the West Side, Mike

De Pike Heitler, a Republican, built up a new vice syndicate.

Prior to prohibition, the same political partiality and the same likelihood to expose the violators in the enemy faction occurred under regulatory laws.

In our large cities, strong-arm gangs, available for hire, have extended their usefulness wherever violence is needed in labor disputes, and have gained ascendancy and control of unions because they are effective when the injunction paralyzes more peaceable methods of conciliation and arbitration. Restraint-of-trade laws have made price agreements illegal among merchants and the same gangs are available to discipline the cutthroat competitor and to stabilize an industry.

The enrichment of contraband business through the beer and liquor traffic has afforded these underworld interests a vast participation in political control through their funds and through the activities of their militia of gangsters in certain wards during elections.

The capture of the control of the saloon industry by the gangster chief of an immigrant community means a new opportunity for his co-nationals and gains him a popularity with law-abiding citizens which may elect him despite honest elections.

THE EXPERIENCE OF CICERO

Cicero, adjoining the West Side of Chicago, is a suburb of about 60,000 population. It became notorious as the seat of the Capone rule. Recently the village president and board of Cicero were defeated by a new Democratic administration. The example of Cicero will serve to illustrate many of the angles of politics, prohibition, and gangs, and will also serve to answer the question, "Now that the Capones are convicted, what?"

The village is about twenty-five

years old. Large Chicago industries bought land in this area and established great factories. The population of Cicero is one of Bohemian home owners. The employees of the large factories located there come daily from the entire metropolitan area of Chicago and leave at night. The Bohemians came to Cicero to buy homes when taxes were low. For the last fourteen years the village president has been a Bohemian, a Republican.

Capone came into Cicero by negotiation with officials. He displaced a small-time gambler by the name of Ed Vogle who collected from a large number of small gambling houses operating around the industrial plants and offered immunity. Capone at first continued the *status quo*. Later, through the police of the village, he closed up the small places and opened three or four very large gambling houses owned by a syndicate of wealthy gamblers. During the Dever administration (1923-27), Chicago, under a closed-town policy, afforded Capone a large clientele for his Cicero gambling houses. Capone organized the delivery of beer for the West Suburban areas and the alkyl cooking industry. He could not bring vice into Cicero because the residents objected. But the Bohemian population was favorable to the saloon and inimical to prohibition. It did not object to the gambling house which catered to the laborers in the factories, who were not local residents. The Bohemians like a card game at their own table—a friendly game.

In other West Chicago suburbs, former brothel owners from the South Side Syndicate in which Capone got his apprenticeship opened brothels and dealt with the village boards.

The tolerance of the gangster syndicates by the Cicero citizens can further be explained on the basis of taxation. The Republican village

president and board claimed to have secured lower assessments for property in Cicero from the Board of Assessors and the Board of Review. They claimed that the big industries carried the tax burden. The village president was a Bohemian—their own co-national. He got them lower taxes and good public services. If he dealt with gangsters it was his own business.

THE CICERO ELECTION

Several important changes occurred before the last Cicero election: (1) the Capone brothers were prosecuted by the Federal Government and convicted; (2) a reassessment was made over the county, which raised the tax rate for the home owners of Cicero; (3) the Board of Review and the Board of Assessors were abolished; and (4) the gang syndicate became irksome to both the village officials and the population. In the beginning they had only dealt with the officials; but they had come to dominate the village government.

When Ralph Capone, who was in charge of Cicero for his brother, was convicted, he left his interests in beer and gambling in the hands of Lewis Cowen, an editor of a local paper and a petty lawyer and fixer in Cicero. An underworld report has it that on the day before election Cowen prepared to purchase the purchasable vote by securing thirty thousand dollars in five-dollar bills. On the morning of the election Lewis Cowen was arrested by police sent by the county judge, a Democrat, in charge of elections. Cicero therefore had a clean election. The vote cast was about nine thousand for the incumbent Republicans and about fourteen thousand for the new Democrats. This result enhances the importance of the failure of the control of the purchasable vote.

On the morning after the election the new village president or mayor an-

nounced in the press that "hoodlums must go, but the people want beer." The State's attorney of the county, a Republican, immediately raided twenty-five saloons in Cicero, much to the embarrassment of the new Democratic president. Immediately the underworld began to buzz with the news that a new underworld boss was being sought for Cicero. The first man approached was Ed Vogle, now operating slot machines in the resort districts of Wisconsin. He answered, "I want to live. I don't want to muscle in." The second prospect was a gambler on the West Side of Chicago, near the boundary of Cicero. When this became known, the gambling house of this gambler was raided in Chicago by the State's attorney's men, and kept closed.

CHICAGO'S RELATION TO CICERO

A new chief of police was appointed immediately after the election in Cicero. He was chosen out of the Chicago police force because he was an expert in gang war. With Lewis Cowen and the Capone militia still located in Cicero, and with the police hostile to it, every one expects war. If there is no war, a new deal will be suspected.

The prosecuting attorney of the county, a Deneen Republican, the result of a great moral upheaval which displaced Crowe and elected him, is believed in the underworld to be aligned with the Republican Capone Gang. If this be true, it is nip and tuck between the Capone interests and the new Democratic administration.

What has happened in Chicago since the conviction of Capone? An oligarchy of Capone territorial chiefs rule the underworld with the aid of Capone's militia. The Chief of Police of Chicago is an iron man; an administrator—not a politician. Until the under-

world interests readjusted themselves to the new Cermak administration, the arrangements had to be pieced together by negotiations with the police captains in the districts. Recently there has been complaint among the captains and the "small fry" on the beat because a big Democratic politician is now the big fix for Chicago, and the captains and the "small fry" are getting very little.

It is a curious anomaly in the history of organized crime that when there is an honest chief of police and no central downtown fix, the period is characterized as one "when the police get the graft," which means that the "small fry" get the graft. When the graft is centralized city-wide in the office of an important politician, the politicians get the graft and the police get only a lean skimming.

IS CRIME ORGANIZED ONLY IN THE "MORAL RACKETS"?

It has been said that organized crime, inter-organized with officialdom through politics, can thrive in the central rackets—gambling, vice, and booze—because of the moral support this traffic receives from a large following of good citizens who do not believe in moral laws. It can thrive in the racketeering of labor unions because archaic restraint-of-trade laws make possible the injunction which brings methods of violence and the gangster to the ascendancy and causes the peaceable union leader who believes in conciliation and arbitration to recede. The sentiment of the class struggle supports the gangster who by violence is effective in getting results. Organized crime can thrive in the racketeering of merchant associations because the same confusing and archaic restraint-of-trade laws make price agreements illegal in the stabilization of business, and all business, large and small, violates restraint-of-trade laws.

In a forthcoming study entitled *Eddie Jackson, the Immane, Pickpocket*, we trace the racket of pocket-picking through about half a century. Widely organized, with a central office, permanent lawyers and bondsmen, and political influence, this racket has been carried on with an uninterrupted continuity through the years. Some changes of late made readjustments necessary with factional change of control of the machinery of criminal justice, but the racket has always readjusted itself. Some change in internal organization of the racket occurred with the coming of prohibition, when the syndicate for beer and liquor began to rule all of the rackets of the city. The pickpocket boss of the city then became a member of a syndicate. Prior to prohibition, political bosses, owners of saloon hangouts for criminals, protected equally the mobs of pickpockets, burglars, and safe-crackers. The relations were more personal than under the syndicate, where friendship plays a smaller part, and cold cash a larger one.

PROHIBITION AND CAUSATION OF CRIME

As to causation of crime and the formation of the criminal career, a forthcoming study entitled *The "42" Gang* traces history from a neighborhood play gang of delinquents to an area of criminal culture inhabited by the most notorious terrorists of Chicago. The relation of these American-born delinquents and criminals to the household alky cooking industry of earlier prohibition days is only slight. The culture conflict between the American-born child and the immigrant parent exists in this area as well as in wholesome areas. The only nexus between the young gangster in the car-stripping or stick-up racket and his elders in the alky cooking racket is the

common enemy—the grafting police. When the boy is caught and cannot fix his case, he finds an older man who can.

In this study of the neighborhood criminal gang, the original members of the gang have been decimated and incarcerated; but the tradition of this gang has spread until only the exceptional individual escapes becoming a gangster, and the tradition of this "42" Gang has become the legend and the mythology of an entire area covering miles. Crime and delinquency has spread.

Most of the material of this study came from the life histories of members of the "42" Gang. They need not be impressed with the precept "Crime does not pay." They know it from experience. But from experience they have also learned that it is the only avenue available to them. In this neighborhood of immigrants, the home, the school, vocational education, the church, government, the playground, and the settlement have all failed as institutions, chiefly through inadequacy. Treatment has been mainly through police violence, or in a few exceptions through case method, when communal rehabilitation is called for. If we assume that these institutions devoted to the orderly bringing up of the young and their placement in legitimate work and life are effective, then the problem of crime is one of the individual, of heredity, or of Old World traits transplanted.

Various chapters in this book trace the demoralization of whole families while living in this area. Other chapters describe the failure of the institutions of daily order. In this area the technological unemployment of the parents, the problem of joblessness for years of the young coming out of school, and the failure of thrift through the failure of the banks, are described in relation to the growing delinquency

in the neighborhood criminal gang which opens a form of gainful occupation and of adventurous life to the hopeless young.

When Capone's syndicate, through subordinates, took charge of this area, these gangsters in the neighborhood were used by a previous beer boss to "muscle in." The new Capone lieutenants gave opportunity to many of these young gangsters as militia men and even the opportunity to open speak-easies and run stills. As the unattached hoodlum was a menace, the Capone interests with the cooperation of the police cleaned up the neighborhood. Life became much more difficult for the unattached hoodlum, constantly hounded by the police, and police battles, arrests, and convictions occurred. Did those who received the new opportunities wish to be criminally engaged otherwise? They were only more selective of their jobs; an increase of bank stick-ups, pay rolls, and other planned jobs followed.

NEW CRIMINAL PROCEDURE

Up to this point, our attention has been devoted to a résumé of the expansion of the activities of organized crime to take advantage of the opportunities presented by bootlegging. Granted that national prohibition has increased organized crime, what has been its effect upon other forms of crime?

The objection might be raised that prohibition has not been given a trial, or a fair trial in the United States. In one sense this point is well taken; but from the practical standpoint the answer can be made that it is only possible to appraise the actual outcome of the enforcement of the Eighteenth Amendment and the Volstead Act rather than to guess at what would be the result of a hypothetically superior form of national prohibition.

There is no doubt, as already in-

dicated, that prohibition has enormously increased the personnel and the power of organized crime. It has opened up a new criminal occupation, with less risk of punishment, with more certainty of gain, and with less social stigma than the usual forms of crime like robbery, burglary, and larceny. Naturally, youth with criminal leanings, in the delinquency areas of large cities, eagerly seek "the jobs" which the so-called "big shots" have to offer.

Small mobs of criminals unattached to the city-wide syndicate are available for hire for any one's crime of violence. By experience they are fully aware that unplanned stick-ups and burglaries are highly dangerous and likely to net very little. If a favorable territorial boss or lieutenant of the syndicate is given charge of the area in which these unattached criminal mobs are located, some of its members are given the opportunity to work for the syndicate either as militia men or "musclers," or are given speak-easies or stills to run. This is called "being put on a pay roll" or given a "spot" or a "job." Those who are fortunate enough to be selected for these opportunities do not abandon their previous forms of crime, but can proceed with more care and deliberation.

Take the case of a young man of 21 who had started in a small way as an automobile tire thief and had done some unplanned stick-ups. He had already experienced several police battles, automobile smash-ups, and narrow escapes. But once he is on a pay roll of a beer-running syndicate, in a year's time he has become a criminal of the first order, with a record of several bank robberies and pay roll stick-ups. In striking comparison with the hardships of his previous associates as unattached criminals, his immunity to arrest and conviction is remarkable. Not only have many of his associates

been killed by gang fire as "musclers in," but a number have been killed and wounded in battles with the police, and many others have been convicted and are serving sentence. In Pontiac alone there are twenty-five of his former comrades. He and his mob companions were recently engaged in a stick-up of a cabaret. His companions were captured, tried, convicted, and sentenced; but he was not even apprehended, although he was equally involved.

RELATIVE IMMUNITY OF BOOTLEGGERS

This persistence of the gangster in his former criminal career and his relative immunity to punishment was clearly brought out in the study of organized crime in Chicago.

The names of one hundred twenty-six bootleggers, prominent in the newspapers and in the historical study of the beer wars, were selected for clearance through the Identification Bureau. For these, eighty-three records were found. All the facts on these records were charted.

The first and most striking observation that can be made about bootleggers is the almost "total absence of a record" of arrest or prosecution for violation of the liquor law. The Federal prosecutions, as has already been stated, are not recorded with regularity because the Federal Government does not bring its arrests to the Identification Bureau for identification; it seldom forwards to the Bureau information with regard to the fate of the individual arrested in the due process of law. It occurs, therefore, that on the entire chart there is only one entry in the case of one of the foremost bootleggers of Chicago, of a fine of five hundred dollars and costs and sixty days in the House of Correction (which he did not serve) for violation of the liquor laws.

A glance at the chart, which tabulates the records of these individuals by offenses, immediately discloses that robbery, murder and assault to kill, burglary, grand larceny,

and kidnaping characterize the criminal careers of famous bootleggers who have previous criminal records.

The same chart indicates the types of punishment to which these individuals have been subjected, and inversely is a picture of their immunity. Very few of their cases are dismissed for want of prosecution. In considering this chart it should be emphasized that the Bureau records are weak in recording arrests. There is no definite rule that every person arrested must be registered in the records of the Bureau. While occasionally arrests are shown on the record, even though there was no subsequent prosecution of any kind, the overwhelming number of records of any particular case against a particular man may begin at any point in the due process of law. Occasionally, in extreme cases of omission, the only record is a conviction, without even recording the charge.

The arithmetical average age of the first crime committed by seventy-three of the eighty-three bootleggers, for whom the records give ages, is twenty-three years. The arithmetical average present age for these seventy-three bootleggers is thirty-five years. The span between the two average ages is twelve years. If the records of the Juvenile Court and the Boys' Court were consulted, the average age of the first crime committed by these bootleggers would fall much lower, but even in the cases of men of established criminal record, the records of these earlier courts, where their criminal careers were first developed, are not consulted and are not a part of the Identification Bureau records.

Five out of the eighty-three were charged with kidnaping in election frauds, which is a suggestion of their activities on election day; thirty-one out of the eighty-three have been charged with robbery, and several have been charged more than once; twenty-eight out of the eighty-three have been charged with murder or assault to murder, many of them more than once; twenty-five of the eighty-three have been charged with grand larceny; twenty-two have been charged with burglary, some of these more than once. Having gained an impression of the character of criminal careers of boot-

leggers, it is well to remember that the span between the present age and at the time of the first crime recorded is twelve years, which means that these criminal careers were established before prohibition.

The dates of recent crimes indicate that the robber, murderer, burglar, and thief in bootlegging has not ceased his previous criminal occupations. Indications are that he selects more profitable enterprises in the same line, but continues even though he is in the beer trade.

The bootlegger-criminal is born in Chicago, with few exceptions, and even in those exceptional cases usually his first crime was apparently committed in Chicago. Eleven of them have been charged with carrying concealed weapons. There is a widespread impression that pickpockets have gone into bootlegging and have ceased previous operations, but there is only one such case on record of a Chicago man and one of an out-of-town man who came to Chicago late in his criminal career and here engaged in "con game," extortion, robbery, and murder. Only two bootleggers have been charged with extortion. It seems that evidence is very difficult to obtain of the practice, deemed to be widespread, of "horning in" on the profits of the traffic in alcohol.

The following conclusions may be derived from a comparison of these summaries of analytical charts on the records of criminal gangs:

1. Members of criminal gangs that enter the business of bootlegging do not give up other forms of crime.

2. On the contrary, the members of these gangs continue to engage in the same types of crime in which they have already specialized.

3. On account of the prestige and power of the gang, its members tend to secure immunity not only from punishment for bootlegging, but for these other crimes as well.¹

The relative immunity to punishment of gangsters engaged in organized crime has its counterpart in the huge amounts of graft received for protec-

tion by police and politicians. This is a form of crime on which there are few or no available statistics, but the individual cases that have been uncovered in many of our large cities indicate its wide prevalence.

SPECIAL FORMS OF HOMICIDE

One result of prohibition has been the increase of two special forms of homicide. The first of these is called gang killings, resulting from gang wars or feuds, which generally arise out of struggles over privileges and out of territorial disputes in the illegal liquor business. In the study of homicides for 1926-27 in the City of Chicago and Cook County,² Lashley found 130 gang murders. In only 26 cases was any court action taken. The final outcome is stated as follows: "The record stands at one hundred per cent no punishment in gang murders in the city and county for 1926 and 1927."³

The second special form of homicide that has increased is that of liquor law enforcement killings. These homicides, like gang murders, did not begin with prohibition but have increased since the enactment of the Volstead Act. The *Washington Herald* reports that from 1920 to 1930 inclusive, the total homicides resulting from prohibition enforcement are 1,550, including 494 officers and aids and 1,056 civilians.

VOLUME OF CRIME

So far, only the effect of prohibition upon crime growing out of prohibition enforcement has been considered. The much more difficult question remains—What influence has prohibition exerted upon the increase or decrease of other forms of crime?

Criminologists agree that there are at present no satisfactory statistics upon

¹ *Illinois Crime Survey*, pp. 1070-71, 1083.

² *Illinois Crime Survey*, p. 611.

³ *Ibid.*, p. 630.

the volume of crime.⁴ For the United States as a whole, the two most satisfactory indices are, perhaps, rates of homicides and of prisoners admitted to State and Federal prisons and reformatories.

If homicide is a fairly accurate measure of social disorder, Table I would seem to indicate that crime has markedly increased in the 29-year period. It appears, however, evident that homicide had its highest rate of increase between 1900 and 1910, before the national prohibition law was enacted.

In Table II, ratios instead of absolute figures are given, because of the following significant statement from the report:

TABLE II—MALE PRISONERS PER 100,000 POPULATION, RECEIVED FROM COURTS BY STATE AND FEDERAL PRISONS AND REFORMATORIES DURING 1910, 1923, 1926, 1927, AND 1928, BY PRINCIPAL OFFENSES

Offenses	Rate per 100,000 Population				
	1910	1923	1926	1927	1928
Homicide.....	5.4	5.7	4.6	4.4	4.8
Rape.....	2.3	2.6	3.0	3.1	3.0
Robbery.....	2.6	5.1	6.9	7.2	8.3
Assault.....	5.5	3.2	3.9	3.9	3.9
Burglary.....	12.7	11.1	13.7	14.3	16.7
Forgery.....	3.4	4.5	5.1	5.7	6.2
Larceny and related offenses.....	16.3	14.8	21.9	23.5	23.7
Sex offenses except rape.....	1.7	2.0	2.2	2.2	2.3
Violating liquor laws.....	.6	4.5	6.2	6.7	6.1
Violating drug laws.....	"	3.5	3.4	3.1	3.6
Carrying weapons.....	.3	.4	.7	.8	.8
Nonsupport or neglect of family.....	.2	.4	.8	1.0	1.2
Other.....	4.2	3.9	5.5	6.3	7.0
Not reported.....	.1	.3	.5	.4	.6
Total males.....	55.5	61.9	78.3	82.7	88.1

^a Less than one tenth of 1 per 100,000.

Since the figures for the last three censuses (of 1926, 1927, and 1928) do not cover the entire number of prisoners who

⁴ See Sutherland, *Criminology*, pp. 31-66; and Warner, *Report on Criminal Statistics for the National Commission on Law Observance and Enforcement*, pp. 25-90.

TABLE I—NUMBER OF HOMICIDES PER YEAR PER 100,000 POPULATION⁵

Years	Entire Registration Area	Registration Area of 1900
1900.....	1.2	2.1
1910.....	3.9	5.9
1920.....	4.2	7.1
1925.....	5.0	8.6
1926.....	5.1	8.8
1927.....	5.0	8.8
1928.....	4.8	8.8
1929.....	5.0	8.5

were received into all the State and Federal prisons during the year, they are not exactly comparable with the figures for the earlier census, 1923 and 1910. The ratios are comparable, however, since they have been calculated from the estimated popula-

tion of the States for which prisoners were reported in detail.⁶

⁵ Compiled from *Statistical Atlas of the U. S.*, 1930, p. 81; and from *Statistical Atlas of the U. S.*, 1931, p. 89.

⁶ *Prisoners in State and Federal Prisons and Reformatories 1928*, p. 12.

Table II shows an increase of over 40 per cent from 1910 to 1928 in the number of male prisoners. The report, however, cautions the reader against considering the number of prisoners admitted to institutions as an index of crime, in the following statement:

During recent decades, in particular, probation, or releasing the convicted offender on good behavior has been used to a constantly increasing extent, with the evident result that prisoners have represented a constantly decreasing percentage of all convicted offenders.⁷

Consequently it is apparent that the ratio of male prisoners is much more likely to give an underestimate than an overestimate of the volume of crime.

CAUSES OF INCREASE IN CRIME

How much of this apparent marked increase in crime is to be charged to national prohibition, and how much is to be attributed to other factors? No conclusive answer can be given to this question. It is evident, for example, that the great increase in robbery is to be assigned to the emergence of a new factor in our civilization, the automobile, greatly facilitating the chances of escape from apprehension.

Coincident with national prohibition

⁷ *Prisoners in State and Federal Prisons and Reformatories 1928*, p. 3.

appeared other factors which undoubtedly played a greater or smaller part in the increase of crime. Prominent among these were the dislocation of society occasioned by the Great War, the luxury standards of the period of prosperity of the twenties, and the acceleration of the tempo of the trend in woman's emancipation. How far are such phenomena as the amateur hold-up man, the "thrill" crimes, the girl bandit, the so-called "gin" murders, and the emergence of the youthful criminal to be charged to national prohibition or to these new forces in our social life?

Will crime decrease with the repeal of the Eighteenth Amendment? Much depends on the effectiveness of the plan chosen for the manufacture and distribution of liquor and beer. If the new system is so effective that it displaces the bootlegger and his organization, it is likely during the period of dislocation to increase crimes of violence, robbery, and stick-up, as those now engaged in this business are not likely at once to find legitimate openings, and are bound to be looking for means of livelihood in new rackets or to want to reënter old rackets.

No, prohibition did not empty the jails; repeal will not eliminate, although it would perhaps ultimately reduce, organized crime.

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College Seniors and the Liquor Problem

By J. H. BARNETT

THE attitudes and the practices of college and university students with reference to the Eighteenth Amendment have been the subject of much heated controversy. Individuals from the rank of college presidents to that of janitors and scrub women have been consulted in an attempt to determine how the college youth has reacted to the provisions and the enforcement of the so-called prohibition law. Leading Wets and Drys have made pronouncements on the topic, too often in keeping with their particular experience, or with their personal prejudice as the basis of their utterances.

The study described in this article originated in the desire of an organization which was concerned with issues of the Eighteenth Amendment to obtain some factual data on the attitudes of college and university students towards the prohibition law and on their personal habits as far as drinking was concerned. The findings of this study, if accurate and sufficiently inclusive, do not indicate that either camp has carefully sized up the situation.

METHOD OF STUDY

The method adopted for the study was the circulation of a questionnaire to a representative group of college and university seniors. The size of the college enrollment rendered it impossible adequately to sample student opinion from the collective college and university group, so it was decided to sample one class. The senior group was selected, on the grounds that this class would represent the crystalliza-

tion of college influences and habits, and probably possessed the set of attitudes and habits that would form the basis of the groups' behavior and attitudes after college and university years. The senior group numbered 81,575 for the year 1927-28 and was considered small enough to be dealt with by this study. Limitations of finances made it necessary to select a group which might be adequately studied in this fashion. The study is presented with a knowledge of its limitations, and no extreme claims are made for the findings. It was carried on in the period October 1931 through April 1932. A replica of the questionnaire is here reproduced for the scrutiny of the reader.

NO NAME IS TO BE SIGNED

Please *Check* Your Answers

ADDITIONAL OPINIONS MAY BE ADDED ON
THE REVERSE SIDE OF THIS SHEET

1. What is your attitude towards the Eighteenth Amendment and supplementary legislation?

Check Here

- (a) In favor of present law?
- (b) In favor of legalizing the sale of light wines and beer?
- (c) In favor of enforcement provisions that will make the law more severe?
- (d) In favor of repeal of the present law?
- (e) Indifferent towards the Eighteenth Amendment and supplementary legislation?

2. If you *favor* the Eighteenth Amendment and supplementary legislation do you do so because *you believe*:

Check Here

- (a) A *Federal* liquor law is necessary to secure uniform enforcement and to protect dry states from the liquor traffic in neighboring wet states?
- (b) The effects of alcohol on the indi-

vidual are such that the manufacture and sale of alcohol should be forbidden in modern industrial society?

- (c) Enforcement of the Eighteenth Amendment has steadily improved and if given adequate public support will become highly effective?
 - (d) The Eighteenth Amendment broke down the pre-prohibition organized power of the liquor traffic as a source of law violation, political corruption, and social evil?
 - (e) No other laws tried have proved as satisfactory as the present one?
 - (f) The Eighteenth Amendment brought about the abolition of the open saloon?
 - (g) The present law has reduced the annual death rate caused by consumption of alcohol below the pre-prohibition rate?
 - (h) Other reasons?
3. If you *oppose* the Eighteenth Amendment and supplementary legislation, or *favor modification* of it, do you do so because *you believe*:

Check Here

- (a) The Eighteenth Amendment infringes beyond justification on the rights of the individual?
 - (b) The law cannot be enforced?
 - (c) The Eighteenth Amendment diverts attention from economic and international problems which are of more immediate importance?
 - (d) The present day sale and consumption of alcohol through speak-easies and bootleggers is greater than it was in the days of the open saloon?
 - (e) The Eighteenth Amendment infringes upon the rights of states to govern their own affairs?
 - (f) Modern young people who drink alcoholic intoxicants do so because they react against the prohibitory element in the present prohibition law?
 - (g) There has been an increase in disrespect for law and in actual crime as a result of the prohibition law and attempts to enforce it?
 - (h) Other reasons?
4. Do you personally drink alcoholic liquors

in the form of wines, beers, whisky, gin, etc. Yes..... No.....

If yes, about how often?
 { (About once every two months.....)
 (About once every month.....)
 (About once a week or more frequently.....)

Sex: Male..... Female.....

Age:

Size of your college or university:

100-1,000

1,000-5,000

5,000-10,000

10,000-30,000

Church Member:

Yes..... No.....

Denomination

Fraternity or Sorority Member:

Yes..... No.....

Home Residence:

Urban..... or Rural.....

State

The writer was fortunate in securing the assistance of several social scientists and research workers in devising the questionnaire. The instrument enabled a student to indicate quickly and accurately his attitude towards the subject by a series of checks.

The sample obtained by this study only pretends to represent a *cross section* of senior opinion and practice for a large number of institutions throughout the country. Returns from some schools were so small that they would in no wise represent an adequate sampling of those institutions. Only by including all possible units in the universe sampled could the study hope to represent the general trends of attitudes and practices for the senior group at large. Even where two hundred or more returns were received, as was the case in several instances, this number cannot be considered an adequate sample of that institution. Only when returns from all institutions are lumped in the totals received can any generalizations be

made as to senior attitudes. The ethics as well as the mechanics of such a study forbid any attempt to make statements relative to returns from any one school or group of schools.

Arrangements for the study provided that seven thousand questionnaires with a cover letter and a stamped, addressed return envelope be sent to as many seniors, male and female, in a widely representative group of schools throughout the country. For this purpose the institutions listed by the American Association of Colleges and Universities¹ were selected as the basis of the mailings. This list totals 426 institutions. Due to the fact that in some states institutions have divisions located in different parts of the state, also to the merging of two schools, and to the inability of the staff to secure names from certain institutions, mailings were made to only 409 out of the 426 institutions listed. As a reading of the list will indicate, it includes practically all the institutions of size and importance in this country. State universities, private schools, and schools for men and for women are included in this group.

To secure proportionate representation for schools of varying size, the number of first degrees granted for the year 1927-28 by each school was equated to the total number of degrees granted that year as indicated by the statistics appearing in the Department of Interior, Bulletin 38,² published in 1929. These figures were the latest that could be obtained at the inception of the study. This basis of numerical proportioning is open to some question on the grounds that the total degrees granted as listed by Bulletin 38 include

some granted by schools not members of the American Association of Colleges and Universities. However, this number does not bulk large and should not seriously invalidate the method of proportioning used. The relation of the number of degrees granted by each institution in 1927-28 to the total degrees granted in that year was apportioned to the questionnaires to be sent out, and the number of questionnaires to be sent to each school was thus obtained. The number of degrees granted annually was assumed to indicate the size of the senior class for each institution. This assumption is open to some question, but provides the only practicable means known to the writer of estimating the size of each senior class for a particular year.

Lack of space and other factors prevent the inclusion of a table showing the number of questionnaires mailed to each school. However, a brief table of mailings made to each state and returns from that state is presented here. Due to the fact that the cover letter accompanying the questionnaire promised complete anonymity to students, both as to name and institutional affiliation, this study cannot present any data relative to senior attitudes and practices in particular schools. The recipients of the questionnaires were requested not to sign their names nor to indicate their college or university. It was possible to relate returned questionnaires to individual schools in many cases by checking the postmark. In many large cities, however, several schools were included in the study and there was little possibility of accurately determining the institution in a city from which the returns came. The only check on this factor was the item included in the questionnaire relating to the size of the institution the student was attending. A check-up in many instances revealed

¹ "Accredited Higher Institutions," reprinted from *The Educational Record*, April 1930.

² *Statistics of Universities, Colleges and Professional Schools: 1927-28*, United States Department of the Interior, Bul. 38.

TABLE I

State	Questionnaires Sent to Each State	Questionnaires Received from Each State			Percentage of Return
		Male	Female	Total	
Alabama.....	101	31	12	43	43
Arizona.....	19	4	2	6	32
Arkansas.....	18	4	2	6	33
California.....	316	129	71	200	63
Colorado.....	72	18	2	20	28
Connecticut.....	95	49	4	53	56
Delaware.....	9	8	..	8	89
District of Columbia.....	69	19	9	28	40
Florida.....	27	4	6	10	37
Georgia.....	102	21	12	33	32
Idaho.....	28	7	6	13	46
Illinois.....	434	152	65	217	50
Indiana.....	195	71	23	94	48
Iowa.....	211	74	34	108	51
Kansas.....	158	51	39	90	57
Kentucky.....	64	20	6	26	40
Louisiana.....	80	28	13	41	51
Maine.....	44	24	4	28	64
Maryland.....	88	16	6	22	25
Massachusetts.....	420	129	89	218	52
Michigan.....	253	105	24	129	50
Minnesota.....	206	72	45	117	56
Mississippi.....	74	14	14	28	37
Missouri.....	147	41	25	66	45
Montana.....	28	10	3	13	46
Nebraska.....	117	41	19	60	51
Nevada.....	12	8	1	9	75
New Hampshire.....	65	38	..	38	58
New Jersey.....	92	65	7	72	78
New Mexico.....	9	5	2	7	78
New York.....	670	268	76	344	51
North Carolina.....	134	38	6	44	33
North Dakota.....	45	12	10	22	49
Ohio.....	466	170	89	259	55
Oklahoma.....	103	28	14	42	40
Oregon.....	94	38	13	51	54
Pennsylvania.....	570	194	62	256	45
Rhode Island.....	42	15	..	15	36
South Carolina.....	105	22	22	44	42
South Dakota.....	40	16	5	21	52
Tennessee.....	67	21	14	35	52
Texas.....	225	60	23	83	37
Utah.....	30	6	2	8	27
Vermont.....	28	9	2	11	38
Virginia.....	110	48	18	66	60
Washington.....	149	39	12	51	34
West Virginia.....	42	11	3	14	33
Wisconsin.....	167	44	32	76	45
Wyoming.....	9	3	2	5	55
Totals, all states.....	6,649	2,300	950	3,250	49

that student estimates of the numerical size of their school varied considerably and were not a reliable index for identifying a particular school.

In most cases it was possible to obtain lists of names and addresses of seniors from the catalogues or directories published by the various schools. This was especially true with regard to the larger institutions, which were very coöperative in sending such information, usually without charge, when the nature of the study was explained. In other cases, however, it was necessary to communicate with the registrar or the president of an institution in order to obtain the names and addresses required. In an attempt to avoid any selection of names so as to bias the return, officials of the schools were requested to select every fifth name on the class rolls until the desired number was obtained. They were also requested to apportion the number of male to female names by the ratio of five male names to four female ones, this being the average ratio of degrees granted in 1927-28. Obviously, this set ratio for selection had to be corrected for particular types of schools. In several instances, college officials were so kind as to forward a copy of their senior class rolls to the staff for a purely mechanical selection. This effectually avoided any bias in selection of names for the mailings. The mailings totaled 6,649 questionnaires to seniors in 409 institutions. Inability to obtain names from two institutions in New York State, from one in Utah, and from several schools in other states lowered the number of mailings from the original seven thousand projected. This omission in the study may have weighted the returns. This cannot be accurately determined, though the number omitted is hardly sufficient to affect seriously the totals obtained.

As will be observed by a perusal of

the table of mailings and returns, the variation from state to state was very considerable. The range ran from an 89 per cent return from the State of Delaware, which had a quota of nine questionnaires, to a 25 per cent return from the State of Maryland.

The average return for the forty-eight states and the District of Columbia was 49 per cent. This is a high percentage of return, and at least indicates a considerable interest on the part of those seniors who were sampled by this study. From a mailing of 6,649 questionnaires, 3,250 were received. The mailings went to seniors in 409 institutions. Replies were received from seniors in a minimum of 354 institutions. As stated above, it was impossible to differentiate returns from institutions located in the same city. Many large cities such as New York, Chicago, Philadelphia, and others have several institutions within their city boundaries. Returns from these institutions must be listed as coming from the city in which the school is located. Identification of schools under these circumstances is difficult and problematical. It is likely that returns were received from a larger number of institutions than is indicated by the number, 354, cited. It may also be suggested that the high return from such states as Delaware and New Mexico, the quotas of which were only 9 questionnaires each, has little significance in indicating a particular interest in the topic. The high return from several states to which one or two hundred mailings were made is much more significant in this regard.

Out of the 3,250 returns received, 2,300 were from males and 950 from females. This difference in response is noteworthy and indicates a considerably greater interest on the part of males than of females in the topic. The ratio of the mailings was 5 male to

4 female names in all cases where possible. Normally, this ratio would anticipate a more equal return from the two sex groups.

ATTITUDES OF THE SENIOR GROUP

Examination of the 3,250 questionnaires relative to answers given to the questions and statements checked gets at the heart of the study. On the first question in the instrument, "What is your attitude towards the Eighteenth Amendment and supplementary legislation?" the replies were as follows:

- 578 (a) In favor of the present law
- 1,166 (b) In favor of legalizing the sale of light wines and beers
- 635 (c) In favor of enforcement provisions that will make the law more severe
- 1,301 (d) In favor of repeal of the law
- 88 (e) Indifferent towards the Eighteenth Amendment and supplementary legislation

It is obvious that a considerable number checked two of the five statements offered. A few checked three, and some five of the statements. Those who favored the law wished in many cases for more effective enforcement. Again, those who favored light wines and beers often desired the repeal of the law, and those favoring repeal wanted light wines and beers. The majority favoring modification and repeal is considerable, and seems to indicate an anti-prohibition attitude on the part of the senior group. At a later section in this article, it will be interesting to note the relation between this attitude as here expressed and the personal drinking habits of the senior group. Table II furnishes data showing the distribution of these student attitudes by states. Concentration of wet and dry opinion may be observed in certain states. The bulk of opinion favoring modification and repeal occurs in New York, Ohio, Pennsylvania,

Massachusetts, Illinois, California, and Michigan. The states favoring the present law and more rigid enforcement are Iowa, Kansas, Georgia, Minnesota, Nebraska, Oklahoma, Texas, and Tennessee. Considerable dry opinion is registered in Ohio, California, and Pennsylvania, notwithstanding the majority opinion in those states favoring modification or repeal.

Favoring prohibition—

Question 2 lists statements that attempt to represent the most cogent and widely used arguments that are employed in support of the Eighteenth Amendment. These statements were used to determine what reasons most individuals accept as the basis of their belief in the prohibition law. The number of checks accorded to any one statement may indicate the cogency of the statement, its popular acceptance, or a well-thought-out conclusion. These statements are here presented as they appear in the questionnaires. A total of 1,193 individuals checked one or more statements under Question 2. To the left of each statement will be found the number of checks which that statement received.

2. If you *favor* the Eighteenth Amendment and supplementary legislation do you do so *because you believe:*

Check Here

- 624 (a) A *Federal* liquor law is necessary to secure uniform enforcement and to protect dry states from the liquor traffic in neighboring wet states?
- 794 (b) The effects of alcohol on the individual are such that the manufacture and sale of alcohol should be forbidden in modern industrial society?
- 377 (c) Enforcement of the Eighteenth Amendment has steadily improved and if given adequate public support will become highly effective?
- 157 (d) The Eighteenth Amendment broke

TABLE II

State	(A) Favor Present Plan	(B) Favor Light Wines and Beer	(C) Favor Stricter Enforce- ment	(D) Favor Repeal	(E) Indif- ferent	Totals
Alabama.....	12	16	8	15	1	52
Arizona.....	1	4	1	2	..	8
Arkansas.....	3	1	3	1	..	8
California.....	38	76	41	76	6	237
Colorado.....	3	8	5	7	..	23
Connecticut.....	4	14	5	35	..	58
Delaware.....	..	2	..	6	..	8
District of Columbia.....	3	13	3	16	..	35
Florida.....	2	1	4	4	..	11
Georgia.....	9	9	13	9	..	40
Idaho.....	1	4	3	4	..	12
Illinois.....	32	82	34	89	8	245
Indiana.....	17	35	18	37	4	111
Iowa.....	32	36	40	21	2	131
Kansas.....	32	29	35	14	1	111
Kentucky.....	2	14	5	8	1	30
Louisiana.....	7	18	5	16	2	48
Maine.....	6	11	4	12	..	33
Maryland.....	5	7	5	7	1	25
Massachusetts.....	19	80	26	111	5	241
Michigan.....	23	53	15	61	7	159
Minnesota.....	33	39	29	32	5	138
Mississippi.....	6	5	12	7	..	30
Missouri.....	7	24	6	40	2	79
Montana.....	..	6	1	7	..	14
Nebraska.....	20	13	21	15	1	70
Nevada.....	..	3	1	4	..	8
New Hampshire.....	1	19	..	22	..	42
New Jersey.....	4	23	4	47	1	79
New Mexico.....	1	3	2	2	..	8
New York.....	20	119	29	209	10	387
North Carolina.....	8	21	6	11	1	47
North Dakota.....	5	8	4	6	2	25
Ohio.....	56	96	63	82	5	302
Oklahoma.....	13	12	7	9	3	44
Oregon.....	12	24	11	10	1	58
Pennsylvania.....	39	90	54	106	7	296
Rhode Island.....	..	4	4	7	..	15
South Carolina.....	12	16	15	9	..	52
South Dakota.....	7	7	9	1	..	24
Tennessee.....	14	9	13	5	1	42
Texas.....	25	30	21	23	2	101
Utah.....	1	1	5	1	1	9
Vermont.....	..	5	3	3	..	11
Virginia.....	13	26	10	31	1	81
Washington.....	8	18	10	24	2	62
West Virginia.....	3	4	4	5	2	18
Wisconsin.....	17	25	16	31	3	92
Wyoming.....	2	3	2	1	..	8
Totals.....	578	1,166	635	1,301	88	3,768

down the pre-prohibition organized power of the liquor traffic as a source of law violation, political corruption, and social evil?

- 245 (e) No other laws tried have proved as satisfactory as the present one?
- 580 (f) The Eighteenth Amendment brought about the abolition of the open saloon?
- 240 (g) The present law has reduced the annual death rate caused by consumption of alcohol below the pre-prohibition rate?
- 83 (h) Other reasons?

Statements (a), (b), and (f) find a greater degree of acceptance than do the others. Statement (d) received the smallest number of checks accorded any of the propositions. The senior group to small degree seemed to believe that this statement was the basis of their favoring the present prohibition law. This may be attributed to a lack of knowledge of conditions existing before the passage of the Eighteenth Amendment and the effect the Amendment had in combating the organized power of the legal liquor traffic. Most of the senior group were undoubtedly too young at that period to realize the political and social effects of the liquor traffic.

Opposing prohibition—

Question 3 presents the same type of data with reference to arguments for repeal or modification of the present liquor law. These statements attempt to present the most widely accepted reasons for opposition to the existing law. Such statements may be emotionally accepted, as were certain arguments on the dry side. They may have been worked out on an intellectual basis by the more thoughtful type of senior.

- 3. If you *oppose* the Eighteenth Amendment and supplementary legislation, *or* *favor* *modification* of it, do you do so because *you believe*:

Check Here

- 932 (a) The Eighteenth Amendment infringes beyond justification on the rights of the individual?
- 1,400 (b) The law cannot be enforced?
- 489 (c) The Eighteenth Amendment diverts attention from economic and international problems which are of more immediate importance?
- 600 (d) The present-day sale and consumption of alcohol through speak-easies and bootleggers is greater than it was in the days of the open saloon?
- 299 (e) The Eighteenth Amendment infringes upon the rights of states to govern their own affairs?
- 797 (f) Modern young people who drink alcoholic intoxicants do so because they react against the prohibitory element in the present prohibition law?
- 1,599 (g) There has been an increase in disrespect for law and in actual crime as a result of the prohibition law and attempts to enforce it?
- 214 (h) Other reasons?

Two statements, one to the effect that "the law cannot be enforced" and the second to the effect that "there has been an increase in disrespect for law and in actual crime as a result of the prohibition law," stand far ahead of all others in the number of checks accorded them. Apparently these statements find more ready acceptance than do any others listed. The statement that the law "infringes beyond justification on the rights of the individual" finds a ready acceptance with this group. It is interesting to note that statement (e) concerning a state's right "to govern its own affairs" was given less support than were any of the other arguments. This may indicate a lack of States' rights consciousness, or merely the fact that this argument has not been popularized as have others.

TABLE III—FREQUENCY OF DRINKING

State	Drink Once in Two Months	Drink Once a Month	Drink Once a Week or More Frequently	Total
Alabama	8	6	2	16
Arizona	1	2	0	3
Arkansas	1	0	0	1
California	41	35	21	97
Colorado	6	4	1	11
Connecticut	8	14	22	44
Delaware	2	3	0	5
District of Columbia	7	6	3	16
Florida	3	0	2	5
Georgia	4	3	3	10
Idaho	4	2	1	7
Illinois	24	48	26	98
Indiana	17	25	7	49
Iowa	15	15	7	37
Kansas	10	7	5	22
Kentucky	6	5	3	14
Louisiana	7	7	8	22
Maine	5	4	1	10
Maryland	3	5	0	8
Massachusetts	41	44	29	114
Michigan	25	29	19	73
Minnesota	26	19	3	48
Mississippi	3	3	1	7
Missouri	7	13	22	42
Montana	1	5	1	7
Nebraska	6	6	10	22
Nevada	2	4	1	7
New Hampshire	8	16	6	30
New Jersey	12	15	24	51
New Mexico	0	1	1	2
New York	69	84	64	217
North Carolina	15	3	4	22
North Dakota	5	3	2	10
Ohio	48	32	27	107
Oklahoma	6	4	5	15
Oregon	10	11	1	22
Pennsylvania	37	52	29	118
Rhode Island	3	5	4	12
South Carolina	5	6	1	12
South Dakota	3	2	1	6
Tennessee	8	4	4	16
Texas	18	11	5	34
Utah	1	1	0	2
Vermont	3	3	0	6
Virginia	12	14	11	37
Washington	9	10	5	24
West Virginia	4	4	0	8
Wisconsin	15	15	10	40
Wyoming	0	3	0	3
Totals	574	613	402	1,589

SENIOR DRINKING

Student drinking is perhaps the crux of the study. It cannot be determined to what degree students will truthfully state their personal habits in a questionnaire. The complete anonymity guaranteed as to name and institution, plus the mechanics which simplified a reply to the questionnaire, should have obtained a large degree of frankness in the answers. The added fact that drinking has an element of personal and social release as a part of a "rebellion pattern" should also cancel any fear of detection on the part of the student. In fact, the categories for those who drink reveal that seniors who drink relatively infrequently are apparently anxious to be considered drinkers. These data may serve to lessen the apprehension usually experienced concerning the frankness and accuracy obtained from questionnaire studies involving personal habits.

A table is included here to show by states the total number who drink and the frequency of their indulgence. Table III does not list drinkers by sex, but of the 1,589 total, 1,280 are males and 309 females. The 1,589 drinkers constitute 49 per cent of the 3,250 replies. However, a relatively small percentage of this number list themselves as drinking once a week or more frequently. Of the 1,280 males who drink, 328 list themselves as drinking once a week or more frequently, and 74 out of 309 females who drink, list themselves as drinking as frequently. This gives a total of 402 seniors drinking once a week or more frequently out of 3,250 who replied. This group is 12 per cent of the total, which is a relatively smaller proportion than has been commonly accepted as representing the facts.

Of course, one may raise the question

as to whether any sort of drinking, whether once a week, once a month, or once in two months, does not constitute drinking. The answer must be that it does. However, the frequency of drinking is perhaps as important as the fact of drinking. The individual who indulges in intoxicants once a week is affected by his drinking far more than is the one who only casually imbibes once in a month or at more distant intervals. Such individuals represent different types, move in different social groups, and constitute varying problems for those concerned with disciplinary and law enforcement measures. The common assertions that drinking is widespread and heavy among college and university students does not seem to be borne out by this study. (See Diagram I.)

DIAGRAM I—FREQUENCY OF SENIOR DRINKING AS REPORTED

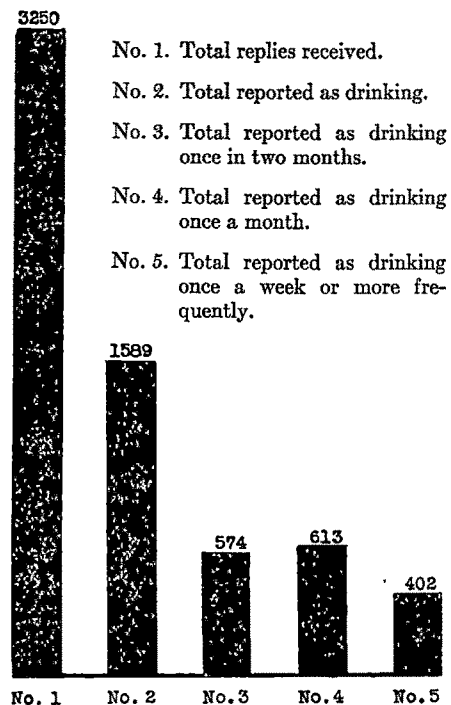


TABLE IV—THOSE WHO DRINK ONCE A WEEK OR MORE FREQUENTLY; BY CITY AND STATE

City and State	Number	Totals	City and State	Number	Totals
<i>Alabama</i>		2	<i>Detroit</i>	5	
Auburn.....	1		East Lansing.....	4	
Springhill.....	1		<i>Minnesota</i>		3
<i>California</i>		21	Minneapolis.....	2	
Berkeley.....	9		St. Paul.....	1	
Los Angeles.....	1		<i>Mississippi</i>		1
Oakland.....	1		Mississippi A. & M.....	1	
Stanford.....	10		<i>Missouri</i>		22
<i>Colorado</i>		1	Columbia.....	21	
Fort Collins.....	1		St. Louis.....	1	
<i>Connecticut</i>		22	<i>Montana</i>		1
New Haven.....	21		Missoula.....	1	
New London.....	1		<i>Nebraska</i>		10
<i>District of Columbia</i>		3	Crete.....	1	
Washington.....	3		Lincoln.....	3	
<i>Florida</i>		2	Omaha.....	6	
Gainesville.....	1		<i>Nevada</i>		1
Tallahassee.....	1		Reno.....	1	
<i>Georgia</i>		3	<i>New Hampshire</i>		6
Athens.....	1		Hanover.....	6	
Atlanta.....	2		<i>New Jersey</i>		24
<i>Idaho</i>		1	Convent Station.....	2	
Caldwell.....	1		Hoboken.....	5	
<i>Illinois</i>		26	New Brunswick.....	2	
Chicago.....	13		Princeton.....	15	
Evanston.....	5		<i>New Mexico</i>		1
Urbana.....	8		Albuquerque.....	1	
<i>Indiana</i>		7	<i>New York</i>		64
Bloomington.....	1		Aurora.....	3	
Franklin.....	1		Brooklyn.....	3	
Lafayette.....	4		Buffalo.....	1	
Terre Haute.....	1		Clinton.....	1	
<i>Iowa</i>		7	Fordham.....	2	
Ames.....	2		Geneva.....	2	
Iowa City.....	5		Ithaca.....	16	
<i>Kansas</i>		5	New York City.....	21	
Lawrence.....	5		Poughkeepsie.....	2	
<i>Kentucky</i>		3	Rochester.....	1	
Lexington.....	2		Saratoga Springs.....	1	
Louisville.....	1		Syracuse.....	6	
<i>Louisiana</i>		8	Schenectady.....	2	
Baton Rouge.....	2		Troy.....	3	
New Orleans.....	5		<i>North Carolina</i>		4
Ruston.....	1		Davidson.....	1	
<i>Maine</i>		1	Durham.....	1	
Brunswick.....	1		Hickory.....	1	
<i>Massachusetts</i>		29	Winston-Salem.....	1	
Boston.....	7		<i>North Dakota</i>		2
Cambridge.....	12		Fargo.....	1	
Northampton.....	6		Grand Forks.....	1	
South Hadley.....	1		<i>Ohio</i>		27
Wellesley.....	1		Akron.....	1	
Williamstown.....	2		Cincinnati.....	4	
<i>Michigan</i>		19	Cleveland.....	2	
Ann Arbor.....	10		Columbus.....	9	

TABLE IV—*Concluded*

City and State	Number	Totals	City and State	Number	Totals
Dayton.....	4		<i>South Carolina</i>		1
Delaware.....	1		Clinton.....	1	
Gambier.....	1		<i>South Dakota</i>		1
Granville.....	1		Brookings.....	1	
Hiram.....	1		<i>Tennessee</i>		4
Oberlin.....	1		Knoxville.....	1	
Oxford.....	2		Memphis.....	2	
<i>Oklahoma</i>		5	Sewanee.....	1	
Chickasha.....	1		<i>Texas</i>		5
Norman.....	4		Austin.....	2	
<i>Oregon</i>		1	College Station....	1	
Corvallis.....	1		Georgetown.....	1	
<i>Pennsylvania</i>		29	Houston.....	1	
Bethlehem.....	2		<i>Virginia</i>		11
Easton.....	3		Blacksburg.....	2	
Gettysburg.....	1		Emory.....	1	
Lancaster.....	1		Lexington.....	3	
Lewisburg.....	1		Richmond.....	4	
Meadville.....	1		Sweet Briar.....	1	
Philadelphia.....	10		<i>Washington</i>		5
Pittsburgh.....	8		Pullman.....	1	
State College.....	1		Seattle.....	1	
Swarthmore.....	1		Spokane.....	2	
<i>Rhode Island</i>		4	Tacoma.....	1	
Kingston.....	1		<i>Wisconsin</i>		10
Providence.....	3		Madison.....	9	
			Milwaukee.....	1	
			Total.....		402

Further data concerning those who drink once a week or more frequently are presented in Table IV as to city and state in which the group sampled attended college or university. The table indicates that the heavy drinking takes place mostly in the larger cities and in towns where large universities are located. The States of New York, Pennsylvania, Ohio, Illinois, Massachusetts, Connecticut, Missouri, Michigan, and New Jersey account for 262, or 65 per cent of this type of drinking.

ADDITIONAL DATA

Some additional data relative to age of the group sampled, church membership, fraternity and sorority membership, and size of college or university are here presented. Of the 2,300 males

who replied to the questionnaire, 2,055 fall in the 20-25 age group. The total range of age variation runs from 17 to 43 years. The age span of the females concentrates the majority of the recipients within smaller limits. Of the 950 females who replied, 795 fall in the age span of 20-23 years. The total age range is from 16 to 58. There were a very few females who fell in the latter sections of the range.

Returns from males and females are listed in Table V as indicated by size of institution which they attended. This table indicates that the largest number of returns came from males and females attending institutions with student bodies numbering 1000-5000 and 100-1000 respectively. This shows clearly that the small college or

TABLE V

Size of Institution	Number of Returns	
	Male	Female
No report.....	21	11
100-1,000.....	527	351
1,000-5,000.....	903	304
5,000-10,000.....	437	142
10,000-30,000.....	412	142
Totals.....	2,300	950

university, whatever its location, is numerically well represented in the study.

Reports on church membership run as follows:

TABLE VI

Church Membership	Male	Female
No report.....	32	13
Yes.....	1,750	796
No.....	518	141
Totals.....	2,300	950

From these figures one sees that a larger percentage of females than males have church affiliations. Of the females, 84 per cent are church members, while 76 per cent of the males are members of some church. No definition of what constitutes church membership was demanded. The usual notion that acceptance into a church at one time as a member constitutes membership is probably the one upon which most of the replies were based. Lack of a more accurate definition probably gives little value to the concept of church membership in relation to other data which might be correlated with it. One item was related to church membership—that of personal drinking. It was found that seniors who were church members drank to the same degree as did those who were not members.

Membership in sororities and fraternities is shown in the following table:

TABLE VII

Fraternity or Sorority Membership	Male	Female
No report.....	76	59
Yes.....	1,378	436
No.....	846	455
Totals.....	2,300	950

According to these figures a much larger number of males than females are members of such campus organizations. Of the males, 60 per cent are members of fraternities, while only 45 per cent of the females are sorority members. Lacking any data as to the proportion of females in all institutions who are sorority members in comparison with male membership in fraternities, the significance of the figures obtained from the replies cannot be estimated.

SELECTED SENIOR STATEMENTS

Perhaps the most significant data obtained by such a study as is here described are to be found in the additional written opinions which are often appended to questionnaires. Students were invited to express any additional notions or views which the questionnaire did not cover, and they took advantage of this offer to the number of 600 out of the 3,250 replies received. The bulk of these added opinions showed a sentiment for modification and repeal, though prohibition sentiment was strongly present. Examples of opinion are here cited to show the different attitudes towards drinking, the Eighteenth Amendment as a piece of legislation, suggested liquor systems used in other countries, evaluations of the success of the prohibition law, and other interesting data on the various aspects of the questions. These state-

ments perhaps represent the most spontaneous and direct expression of attitudes and opinions that may be obtained in written form. The intensity and facility of expression embodied in some of the opinions, and the cogent and sane analysis of factors in the situation manifest a keen and intelligent interest on the part of many in this question.

A male senior from a Colorado institution leads off with a statement concerning attitudes towards drinking at his college:

Most of my friends here at the University drink. Mostly because they think it's smart (this is especially true for the coeds). The second reason is that many of them labor under the illusion that they can't enjoy themselves unless they've "had a few." To remove the prohibitory element, as referred to by your questionnaire (3f), would eliminate the first cause. Light wines and beer would be the best solution for the second cause until their foolish illusion is dispelled. I have heard most of those of the second class express themselves as not enjoying the taste, the effects, or the expense of the available "rot-gut." The same persons have all wished that they could get a few drinks of real good, honest-to-God beer. They would be much better satisfied and at the same time they would be satisfying their illusion. If, when they went to a dance, they could step out for a few minutes to have a glass of beer at a nearby dispensary of such, they would be satisfied. It is impossible to get "feeling good" on a pint or half-pint of beer. You can't carry enough beer in your coat pocket or even in a car for a party,—so, what is the recourse? Obviously, all of the potency of the few glasses of beer must be obtained in concentrated form, as long as an attempt must be made to conceal it.

A male senior in a New Jersey institution who is interested in a new social philosophy and in modern psychology, suggests some basic causes of intemperance in the following comment. Despite its length it is here produced:

Intemperance appears to be caused to a large extent by the discouragements that result in the neurotic life philosophy of intemperates. Neuroses are bound to occur in an individual's conduct if for one reason or another he meets, or thinks he meets, with enough discouragement.

Under the present economic system, governed as it is by the philosophy—"every man for himself, and the Devil take the hindmost"—the system that affects our very lives, and the system that exists despite the superficial gloss which is meant to conceal its bad features; under this system, discouragements are in store for a large number of people, rich and poor alike. In so far as discouraged people resort to the use of narcotics, the use of narcotics appears to me to be the inevitable accompaniment of the present economic and social system.

While, therefore, I sympathize with the general aims behind much of the prohibition movement, I cannot see how the present law can do much good, set in its capitalistic background. I believe that temperance workers would do well to study sympathetically both modern theories of psychology, and Marxism.

A male prohibition supporter in a California school comes to the fore with the following statement:

I believe that prohibition is necessary in an industrial society. The best interest of society demands that each member be mentally alert and responsible for his actions. As a matter of infringing on individual rights, I consider it no more so than quarantining a person with a contagious disease. I favor the legal sale of light wines and beer merely as a matter of expediency.

One who is rather removed from the trends of modern life and its heats and strife expresses himself in the following fashion relative to the Eighteenth Amendment:

I am an active Christian, being more interested in religious work (although I do not intend to enter the ministry) than in anything else in life. Naturally, it follows that I am against all drinking of alcoholic liquor of any kind. Here at — the drinking class is in the majority, but there

are some, like myself, who have never taken a drink.

A thoughtful skeptic suggests inward control and the merits of persuasion in the following paragraph:

I sometimes fear that even if we did have a referendum on the question of prohibition, it would not be defeated because so many Wets would vote "dry." It is extremely paradoxical. It so happens that I do not smoke and more than half of the time when I refuse an offered smoke, the one who offers it says, "Well, you're smart. I wish I didn't smoke." The same type of person would vote "dry" because they *know* that is the best but will excuse himself as being an isolated case. A person who will do one thing while believing another shows a moral weakness. Laws won't correct this. Moral strength must come from within, not from external forces. You can't make a law compelling a piece of string to stand on end. If you want the string to stand on end, you develop a string with characteristics that make standing-on-end the natural thing to do. Then you don't need to bother with the law.

A dry senior in a Texas school with very definite dry opinions gives his views on prohibition in the following sentences:

Any man, who can't see that the great middle class is enjoying life now, more than they did 16 years ago, that they possess more now than they did 16 years ago, is a fool and has no right to be tolerated for voicing his opinion. I am speaking from the view of a prohibitionist, but then I have heard so much of the argument that the generation of today, of which I am a member, drinks more than ever before that I have become one of the supposedly hated Drys. However, I know, with no doubting whatsoever, that the majority of the younger generation are not disreputable citizens. We are just as our forefathers, except the majority of us have escaped the ever clutching claws of alcohol. May the God which you worship in your creed and my God bless the foresight of the supporters of the Eighteenth Amendment, and I hope

that if it ever comes up for another vote my generation will be the strongest opponents of the Wets so we can squelch forever the continual whine that we are a dissolute bunch of youngsters. I thank you for this chance to express my opinion.

The Canadian systems take a severe trouncing at the hands of a female senior at a California college:

Where Gov't control of liquor and sale of it is being tried, conditions are little better than in the days of the open saloon. I come from Canada and know the situation. Drunken brawls are common—families are being broken up just as in the old days. People who take a week's trip to Vancouver, buy liquor, return to U. S. and say the Canadian system is working perfectly or more satisfactorily than prohibition are crazy. I don't care whether individuals ruin themselves by it, but it is a detriment to society; make it easier to get and every young man especially of high school age will be trying it and will soon find he cannot do without it. As it is, it is a little harder for the average boy to obtain. Prohibition is not a complete success I grant, but neither are other laws being enforced. Don't remove the law but give it teeth instead.

Influences of home background and *mores* are obvious in the paragraph here cited. A female senior in a Pennsylvania school writes in an easy style the following:

In regard to the fourth section on the reverse side of this paper, I should like to add that my drinking activities are not of the kind popularized in the books and movies of the day. I have been brought up to regard wines on the table as one of the niceties of life which we are fortunate to be able to possess and cocktails as a pleasant social custom. To the best of my knowledge and belief I have never had any bootlegged or synthetic liquor as I drink only in my own home or in the houses of my parents' friends, and these are so fortunate as to possess "pre-prohibition" cellars.

A male senior in an Ohio school who has recently read *The Wet Parade* by

Upton Sinclair writes in a thoughtful fashion:

After reading the book of Upton Sinclair, *The Wet Parade*, I am willing to cry with Maggie May that—"Prohibition has not failed! Prohibition has not been tried! Try it!" And although I am rather dubious on the point as to whether or not the present law "infringes beyond justification on the rights of the individual" I am inclined to believe that what benefits society as a whole ultimately benefits the individual as a member of that society. And furthermore, although personally I have no objection to the drinking of light wines and beers, I seriously oppose the legalized sale of them for fear that it would approach the old saloon days. The present law, *if backed by* the legislatures and Government officials as well as the public, ought to prove an effective solution to the problem!

A male senior in a New York institution offers the following concrete suggestions as to a solution of the liquor problem:

The idea behind the 18th Amendment is excellent. There is no place for drunkenness in modern industrial society and it is true that the prohibition law did decrease the habitual drinking among the working classes to a great extent. For this it should be commended. However, while there was graft and corruption before prohibition, the gangster and racketeer never had the power and never commanded the admiration which he does today. To a great extent this power is a result of success in the liquor business.

Regardless of States' rights and individual rights there should be control. Would not a system a little more severe than the Canadian policy (1) afford enough revenue to enforce the system; (2) eliminate bootlegging and subsidiary crimes; (3) do away with the argument of the man who claims he must have his glass of beer with his meal; (4) eliminate poison liquor; (5) eliminate speak-easies; and (6) still be practical enough to enforce?

A system of permits, with a restriction to 3 to 5 dollars of purchases per permit, might be good.

A Kansas senior with a varied background of experience comments on the prohibition law in this fashion:

I have lived in countries which did not have liquor prohibitory laws, as well as in our own country with its present laws, and have seen the use of liquor and known its effects in nearly every conceivable way. I have seen it used by soldiers in Europe, and various classes of people in our own country, but I have never known of any good coming from its use. I served with the Regular Army during the World War, and am at present Post Commander in the Veterans of Foreign Wars of the United States. I am strictly opposed to the manufacture, sale, and use of any form of intoxicating liquors, and am strongly in favor of strict enforcement of liquor prohibitory legislation.

A senior of mature years attending school in Massachusetts sums up the topic in this wise:

My principal objection to the Eighteenth Amendment is that it was passed without any truly scientific study to determine whether or not alcohol was a universal human curse, or a curse only to a small minority of the population, who would in any case be classified as psychopathic cases. If it is true that alcohol is indulged in to a harmful degree by a minority of mentally weak persons, it is unfair and unjust to the majority to prohibit its use, when in their case it may have no harmful effects, and may even be a necessary constituent for human health, when taken in moderation. I believe that those who overindulge now, and who overindulged before prohibition, were the types of individuals who would go to excesses in other things besides alcohol.

WHAT THE STUDY REVEALS

Perhaps the data obtained by this study have shown that a simple portrayal of the attitudes and the practices of college and university seniors concerning the Eighteenth Amendment is not possible. Diversity of individual opinion and practice is the outstanding fact revealed by the study. Intelli-

gence, conviction, and sense of values characterize the attitudes of the individuals represented in this group towards the various aspects of the liquor problem and towards those who differ in opinions. The keen and alert interest the group showed in the ramifications of the problem certainly indicates an interest in and awareness of modern issues. Attitudes ranging from the naïve to the sophisticated were represented. A tendency to survey the

problem from several viewpoints, to evaluate critically the effect of liquor on the individual and society, and the results of prohibition enforcement, and to suggest alternative systems, is nothing if not encouraging. If this attitude characterizes the college and university group at large, one may feel assured that the liquor problem will be approached constructively and sanely from an educational and legislative standpoint by this group.

James Harwood Barnett is a research director for the Board of Christian Education of the Presbyterian Church in the United States of America. His special interests are the Eighteenth Amendment, world peace, and race relations. He is the author of a study entitled "High School Attitudes Towards Prohibition," published in 1930.

The Foreign Born and Prohibition

By CONSTANTINE PANUNZIO

TO WHAT extent prohibition has influenced the foreign born or has been affected by them is difficult, if not impossible, precisely to say. The matter has not been investigated on a sufficiently large scale; such investigations as have been made are of a general-observation character and have been reported by persons two or three points removed from the original observers; and even authoritative opinions are few and inconclusive. There are, however, a few general and a few specific data which throw light upon the question; and it is the purpose of this article to present and discuss them.

IMMIGRANT BACKGROUNDS AND DRINKING HABITS

The cultural background of the foreign born constitutes perhaps the fundamental fact. As is generally known, immigrants to the United States have come from countries which for centuries have used wine or beer as part of their dietary patterns. Wine is to the Italian, and beer to the German, what coffee is to the present-day American. As the American tends to take his habits wherever he goes, so the foreign born tend to persist in the use of wine and beer in this country. They make wine or beer in their homes, use it with their meals, proffer it in token of hospitality, and serve it at christenings and betrothal or wedding feasts, in what is to them a perfectly normal manner—as they have been accustomed to do in their native countries. Since the practice is normal, heavy drinking among them is exceptional, excess is rare, and drunken-

ness is virtually unknown, except among the whisky-drinking people from Northwestern and Northeastern Europe. Moreover, the drinking or the refusal of light alcoholic beverages carries no social or moral connotation whatsoever. In fact it would be quite safe to say that the larger proportion of the foreign born, whose associations are limited to members of their own group, barely perceive that the drinking of light beverages is questioned in this country; or, at most, they do not quite grasp or assimilate the thought that drinking carries the moral meaning which so many Americans place upon it.

One who goes in and out among immigrants is often impressed with this fact. In their homes he is served wine; is shown the still; the bath-tub which, turned into a fermenting vat, is filled with mash; the pantry stocked with old and new wines. He observes the same *naïveté* at public functions. At a banquet held in a Western city a year or so ago, attended by eight hundred persons of Southwestern European extraction, wine was served to all. The guests drank of it in a matter-of-fact way, and though some showed a slight surreptitious manner, no one, so far as could be observed, manifested that air of law-defying braggadocio which Americans sometimes evince at banquets at which liquor is served. In addition, at the bar in the basement of the clubhouse, beer was being dispensed; and there two sturdy and ruddy policemen mingled with the crowd and, as naturally as the rest, drank *ad libitum*.

If what this writer has observed is at all typical, it would seem that prohibi-

tion has effected no important or widespread changes in the drinking habits of foreign born, though it has, of course, greatly changed the sources and methods of supply. Such investigations as have been made confirm this view. Mr. Hayner, for example, found that in Packingtown (Chicago stockyard district) the drinking folkway remained unimpaired among the Slavs after twenty-two months of prohibition.¹ Professor Galitzi, who in 1924 and 1927 investigated six hundred families of Southwestern European origin residing in seventeen Eastern American cities, found that prohibition had not affected the drinking habits of these people at all. "These families, without being law breakers, were carrying on in their homes their old country tradition of using homemade wine. In most of their homes wine was offered to me and in a few homes I even saw the wine press."² Mrs. Bruère's investigations, carried on in nearly every principal city of the United States, revealed the same thing.³ An inquiry made for the purpose of this paper of six hundred homes of Southwestern European origin leads to the same conclusion. Similar testimony comes from a variety of other sources: from teachers, public officers, and immigration officials. In fact, the testimonies agree so generally as to constitute almost scientific data.

It needs to be emphasized, however, that in adhering to their native folkways most foreign born do not intend to violate the prohibition law and actually do not do so. In *general*, they

manufacture light wine and beer primarily for home consumption and not for sale.

EFFECT OF PROHIBITION UPON CERTAIN GROUPS

Prohibition seems, however, to have had a deleterious effect upon certain foreign-born groups. Particularly those working in the coal-mining and steel regions (normal supplies being inaccessible or very expensive) seem to resort to making and using the vilest of liquors. Men, women, and children freely indulge in these. Places where liquor can be secured are numerous and wide open, the prohibition law is flagrantly violated, and a general contempt for all law seems to result. Intemperance, loathsome diseases, and a disregard of sexual morality seem to be on the increase. The making and selling of "hooch," in some sections, has been found more profitable than mining or other reputable occupations.⁴ The present writer has seen wide-open saloons in several mining centers of Wyoming and Colorado. He has also seen large stills, situated on hillocks away from villages and armed with machine guns, which serve as centers of manufacture and distribution.

It must be emphasized that, so far as it can be judged, it is not willful disregard of law that prompts these practices, not innate characteristics, but the struggle for existence—the inescapable conditions of life and labor which seem to lead to such types of release. It has been perceived for some time that it is precisely these conditions that make demoralization, maladjustment, juvenile delinquency, and crime comparatively greater among the immigrants in certain occupations and

¹ Hayner, Norman Sylvester, *Effects of Prohibition in Packingtown* (Typescript), Chicago: University of Chicago, Master's Thesis, 1921, p. 76.

² Galitzi, Christine, Letter of Jan. 23, 1932.

³ Bruère, Martha Benseley, *Does Prohibition Work?* 1927, *passim*; see also Social Science Research Council, *Sources of Information Concerning the Operation of the Eighteenth Amendment* (Mimeographed), 1928, pp. 33-34.

⁴ Cf. James J. Forrester, "Ten Years of Prohibition," *Current History*, March 1931, p. 813; also Hayner, *op. cit.*, *passim*; Bruère, *op. cit.*, *passim*.

regions of America than in corresponding European communities.⁵

ATTITUDES OF LEADERS

The leaders of the foreign born, influenced perhaps by a rationalization of their cultural backgrounds or by the general effects which prohibition has had upon their own people and upon American life in general, tend to oppose prohibition. Generally, they regard prohibition much in the manner in which most Americans view the blue laws of former generations. They associate prohibition with the bigotry, the "cultocracy," and "anti-foreign" phases of American life. They do not see why wine and beer should be forbidden any more than coffee or tea. They point out that a little wine or beer is even more necessary in America than in Europe, especially among immigrants. A little wine or beer, they contend, relieves some of the pent-up weariness of an over-commercialized and money-mad existence; brings a little cheer into the dreary "homes" in which immigrants live and into lives charged with conflict; casts an air of festivity over feasts which otherwise would seem stale and vacant; and brings a touch of cosmic cheer even into the midst of funerals.

Such are the opinions often expressed by foreign-born leaders. The immigrant press, though apparently vacillating, seems opposed to prohibition. Mr. Polyzoides, editor of *Atlantis*, a New York Greek daily, who is part of the core of the foreign-language press, states that "the foreign group opinion as evidenced in the foreign-language press, seems to point very clearly to a universal desire for the repeal of prohibition."⁶ Political leaders who rep-

resent foreign-born constituencies almost without exception favor modification or repeal. Clergymen in such districts or neighborhoods seem to be of the same mind; sometimes their moral interpretations of the situation are as exaggerated as those of ardent prohibitionists. Thus, a Slovak priest whom Hayner interviewed remarked:

I say give the people good food, good fresh air, and good beer, wine, and whisky. Prohibition is the biggest crime a person can imagine. God will punish this country! They give the good stuff to the sewers and the bad stuff to the people. . . . I would consider it a sin to give near beer to the people. If I had time I would like to organize the people to boycott near beer. Yes, I say, give the people good beer, good whisky. If it is abused, it should be a crime and the man should be fined and sentenced. This sin should be punished.⁷

PROHIBITION'S NEGLECT OF THE FOREIGN BORN

It is not impossible that prohibition would have had a greater influence upon the foreign born and even their leaders, had not the prohibition forces totally neglected them. It is indeed an ordinary procedure in most phases of American life to leave the foreign born uninstructed and then to condemn them for not understanding, or for not conforming to American ways. Mr. Pickett, research secretary of the Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church, points out how true this is. His statement contains elements of overstatement, perhaps, and yet it reflects the situation as it is with approximate fidelity:

It is beyond doubt true that the principal reason why the foreign-born people of the United States have failed to give prohibition any support is because they have not

⁵ Cf. Robert E. Park, *Old World Traits Transplanted*, pp. 61-62.

⁶ Polyzoides, Adamantios Th., Letter of March 22, 1932, p. 2.

⁷ Hayner, *op. cit.*

been made [*sic*] to understand just what it is or why the United States has enacted it as a policy. I do not doubt that it would be possible to enlist at least 50 per cent of them on the dry side of this matter if a well-conceived and continuing appeal were made for their support. . . . The breweries alone were shown before prohibition by a United States hearing to be appropriating directly two hundred thousand dollars a year to influence the foreign-language newspapers, and I do not doubt that as much is being spent right now in the same way. . . . The wet newspapers appeal to them, not only legitimately, but in the way of arousing prejudice against those who favor prohibition. . . . Our Board has done practically nothing in the way of cultivating sentiment among the foreign born simply because funds have not been available. . . . Very little has been done, so far as I know, by any other organization among the foreign born.⁸

FOREIGNERS WHO COMPLY WITH PROHIBITION

Notwithstanding the cultural background, the exaggerated effects prohibition has had on some, the attitude of the leaders, and the lack of cultivation, it would be unsound to conclude that none of the foreign born have responded positively to prohibition. There *are* those who comply with both the letter and the spirit of the prohibition law; and their number must be large. These include those who have participated in the temperance movements in Europe and who, being associated with the Protestant churches in this country, have come under the influence of prohibition. There are also small groups of Southeastern Europeans who, "converted" to Protestantism in this country, have out-Bryaned Bryan in prohibition fervor. Physicians, lawyers, and teachers of foreign birth or extraction whose clientele is even partly American, support prohibi-

tion out of prudence. Others abstain because they live in communities in which home manufacturing is impossible without running the danger of detection with its economic or social consequences, and also because, being frugal, they prefer to go without it rather than to spend hard-earned money for it.⁹

In addition, there are some who obey prohibition from deliberate choice, feeling that so long as they live in America and the law is what it is, they must, in fairness to their adopted country, abide by American law. This writer has been in homes and at social functions of the foreign born where not only was liquor not served, but sentiments favorable to prohibition were expressed. Charles C. Cooper of Kingsley House in Pittsburgh is quoted as saying that

insignificant in numbers, but important in showing, perhaps, the beginning of a new attitude on the part of American Italians is the fact that there have been several Italian weddings in the settlement at none of which wine was served. When one realizes that these significantly few instances mark a divergence from hallowed custom, sanctioned by centuries, one understands the real meaning of their occurrence. These were not *Italian* weddings, but Italians marrying in America and under an American law.¹⁰

In this as in other cases, there is evidence that a change of attitude and practice is taking place and that some, perhaps an appreciable proportion, of the foreign born are yielding to the prohibition sentiment.

Prohibition seems to have had the

⁹ Robert F. Foerster, in *Italian Emigration of our Times*, p. 423, states: "Italians, Northern and Southern, unless already demoralized, drink less than other peoples for the reason that indulgence in the habit nibbles away their potential savings. In Italy sobriety is often a necessity of existence; in the countries of immigration it is only little less than that."

¹⁰ Bruère, *op. cit.*, pp. 284-285.

⁸ Pickett, Deets, Letter of February 1932, pp. 1-2.

most significant effect upon the children of the foreign born. These youthful elements, being under the influence of the public schools, seem not only to be almost universally abstainers, but also to be staunch carriers of prohibition sentiment into the home. Hayner records cases of children who, together with their mothers, strenuously oppose the manufacturing and use of liquors in the homes.¹¹ Mr. Lasker, deriving his opinion from wide personal contacts with and intensive studies of the foreign born, states: "I am fairly certain that prohibition has, on the whole, been excellent in its effects upon the children of the foreign born . . ." ¹² Mr. Bercovici, who knows the colonies of the foreign born as perhaps no other person, also confirms this view.¹³

BOOTLEGGING AND THE FOREIGN BORN

The opinion generally prevails that the foreign born and their children are the chief violators of the prohibition law and furnish most, if not all, of the bootlegging traffic. This opinion is no doubt based largely upon newspaper reports and moving pictures, which, in this as in other respects, have in the defenseless immigrant and his children a ready means for the creation of imaginary blood-curdling criminals.

There are, however, some authoritative opinions and data which seem to confirm the prevailing view. Professor Feldman, who has made extensive studies of prohibition, believes that in all probability the foreign born and their children supply the personnel for the bootlegging traffic in a ratio out of

proportion to their numerical strength.¹⁴ The Illinois Crime Commission states: "The fact that more Italians than all other nationalities combined were killed in gang murders will occasion little surprise. The members of that race [*sic*] more than any others, appear to be more active in liquor and gambling gang wars."¹⁵ The Chief of Police of a far-western city states that to his knowledge "the Sicilians furnish more bootleggers than all other races [*sic*] put together." Mrs. Bruère mentions Belgians, French, Hungarians, Italians, Irish, Poles, Portuguese, and Swedes as predominating in this type of activity.¹⁶ Professor May, director of the Bureau of Public Administration of the University of California, states:

During a careful survey of the Federal machinery for the enforcement of prohibition as it operates in the San Francisco region, one cannot fail to be impressed with the great preponderance of the foreign born among those who engage commercially in the illegal traffic of liquor. A careful check of records discloses the fact that almost all those arrested are foreign born, and a large proportion of them are unnaturalized.¹⁷

Professor Ogburn, director of research of the President's Research Committee on Social Trends, writes: "I think that there can be some evidence shown that bootleggers are less frequent among the foreign born, but more frequent among the native born of foreign parents than among the native born of native parents."¹⁸

¹⁴ Feldman, Herman, Letter of March 9, 1932, p. 1.

¹⁵ Illinois Association for Criminal Justice, *Illinois Crime Survey*, 1929, p. 611.

¹⁶ Bruère, *op. cit.*, *passim*.

¹⁷ May, Samuel C., Letter of March 30, 1932, p. 2.

¹⁸ Ogburn, William F., Letter of March 10, 1932. Unfortunately both Professor Ogburn and Professor May state that their findings cannot be made public on account of their confi-

¹¹ Hayner, *op. cit.*, pp. 68-73.

¹² Lasker, Bruno, Letter of Feb. 15, 1932.

¹³ Bercovici, Konrad, *Around the World in New York*, *passim*. The statements on pp. 124-25 seem to be contradicted by newspaper reports and moving pictures; but newspapers are newspapers, and "movies" are "movies"; Bercovici speaks from observation.

TABLE I—PER CENT DISTRIBUTION OF MALE POPULATION 21 YEARS AND OVER, 1930, AND OF CASES OF CRIMINAL VIOLATION OF THE FEDERAL PROHIBITION LAWS FILED AND TERMINATED IN UNITED STATES DISTRICT COURTS DURING 4 MONTHS ENDING JUNE 30, 1930, BY NATIVITY AND COLOR AND BY COUNTRY OF BIRTH¹⁹

Nativity and Country of Birth	PER CENT DISTRIBUTION				
	Male Pop- ulation 21 Years and Over 1930 Census	Federal Prohibition Cases, United States District Courts, 4-Month Period			
		Indict- ments or Informa- tions Filed	Cases Terminated by		
			Convic- tion	Acquittal	Other Dis- position
Native white	71.28	68.57	68.79	64.82	64.28
Negro	8.74	10.35	12.30	10.95	8.85
Foreign born	18.35	20.40	18.13	22.96	19.84
Austria	.51	.99	.72	.90	.55
Canada	1.43	.43	.54	.26	.70
Czechoslovakia	.66	.30	.30	.21	.23
England, Scotland, and Wales	1.58	.31	.30	.11	.28
France	.17	.12	.12	.11	.09
Germany	2.20	1.70	1.44	1.84	1.80
Greece	.34	.52	.58	.42	.89
Hungary	.36	.36	.38	.32	.30
Ireland	1.07	2.06	1.17	2.94	1.25
Italy	2.66	6.37	5.62	5.89	7.03
Yugoslavia	.34	.23	.33	.11	.19
Lithuania	.30	.43	.47	.74	.28
Poland	1.77	1.77	1.81	2.63	1.70
Russia	1.59	1.37	1.09	3.00	.93
Scandinavian countries	1.69	.56	.38	1.32	.60
Mexico	1.08 ^a	1.44	1.53	.53	1.10
All others	2.23 ^b	1.38	1.19	1.58	1.64
Total	100.00	100.00	100.00	100.00	100.00

^a Includes Mexicans classed under foreign-born white, plus those included under the general classification of "Mexican."

^b Includes all groups except native white, negro, and the foreign born listed above.

FOREIGN BORN AND CRIMINAL VIOLATION

The only approximately reliable data available regarding criminal violation are those presented by the Wickersham Commission. These compare the per

dential character. I am therefore obliged simply to give their conclusions.—AUTHOR.

¹⁹ This table is constructed from percentage figures presented in *Crime and the Foreign Born*, National Commission on Law Observance and Enforcement, No. 10, Table XI, p. 136; and the 1930 population percentages have been com-

puted from figures supplied by the Bureau of the Census, in advance of publication, through the courtesy of Dr. Joseph A. Hill, Assistant Director.

cent distribution of the known cases of criminal violation of the Federal prohibition law with the per cent distribution of the various nativity elements, 21 years and over, in the population of the United States in 1930. These data are presented in Table I.

These figures reflect the extent to which the foreign born have violated

the Federal prohibition laws. It will be observed that the percentages of the foreign-born males 21 years and over are almost identical with their proportion in the whole population of the United States. The figures also show that certain nationality groups, notably the Italians and the Mexicans, and to a lesser degree the Lithuanians, Irish, Greeks, and Austrians, furnish a considerably higher proportion of violation than their numerical strength would warrant.

These figures, however, like all similar data dealing with the foreign born, fail to bring out some important underlying facts. The immigrant occupies the lowest rung in the American economic ladder: he receives the lowest wages, suffers most from intermittent labor and unemployment, and at all times lives on the verge of economic want. Under the strain of poverty, distress, and abuse, he suffers from demoralization and tends to grasp at every straw that floats which offers a promise of release. He tends to adopt an attitude of carelessness if not of scorn toward life in general, and of bitterness toward what once was his Land of Promise. A true comparison, therefore, would need to take into consideration economic and social status, length of residence in the United States, and the factors of adjustment.

Again, the youthful foreign born, especially the American-born children of immigrants, are the victims of family disintegration; they neither belong to the old culture, nor are they accepted by American society; language barriers separate them from parental control; disrespect toward the parents usually obtains; different foods, manners, books, and newspapers separate the child from the parent; the social organization of the American community does not reach either parent or child; the child has no vital connection with

the immigrant organizations. The result of all this is an absence of any guiding hand, and the drifting of the younger generation into all kinds of antisocial acts.²⁰

Moreover, the figures, being based principally upon arrests, do not tell the entire story. It is generally recognized that it is much easier for the foreign born and even the children of the foreign born to be apprehended for the violation of any law than the native born. The latter has a greater knowledge of the country and its customs and laws, and is more able to live in comparative seclusion and to conduct his illicit traffic in a more refined way and with greater safety than the person of foreign birth or parentage. Moreover, the foreign born and their children are easier prey at the hands of the police than are Americans. "It is a fact that the police are less inclined to arrest any one who speaks proper English and has an Americanized suit of clothes . . ."; and this produces an inordinate proportion of arrests of and a bad showing for the foreign born.²¹

FOREIGN BORN TOOLS OF AMERICANS

In addition, it is a matter of common knowledge that the foreign born are often, because of economic and social status, but tools in the hands of those who are after big game. Certain American elements tend to use and exploit the foreign born as blatantly and coldly in this respect as in industrial and business enterprise. Ignorance of language and law places the immigrant at the mercy of the unscrupulous elements in the American community. As the editor of *Collier's* puts it:

²⁰ Cf. Drachsler, Julius, *Democracy and Assimilation*, pp. 79-80.

²¹ Ernst, Morris L., "Report on Crime and the Foreign Born," *American Bar Association Journal*, Vol. XVIII, No. 1, p. 870, Jan 1932.

The names of public enemies in office or in high political positions are seldom mentioned. They are often highly respected figures. The politicians who protected the Capone gang are, however, morally responsible for whatever that gang does. . . . So long as a vast public insists upon drinking alcoholic beverages somebody will supply the trade, whatever the cost in money, corruption or crime. Criminals under existing conditions do work which otherwise respectable citizens want done.²²

Moreover, even when the foreign born or their children are themselves engaged in a big way in "the trade," they are, without doubt, supported by large American interests. Particularly is this so in the international trade.

☐ This traffic is very hard to deal with, first and foremost because it is openly financed by American bankers. Some large and otherwise respectable banks in New York City make a practice of lending money in \$50,000 or \$100,000 lots to persons who have no place or business, except on their semi-piratical speed boats.²³

Even in this respect, then, the foreign

²² Editorial, "Public Enemies," *Collier's*, 88: 54, Aug. 1, 1931.

²³ Hart, Albert Bushnell, "The Problem of Prohibition Enforcement," *Current History*, March 1930, p. 1166.

born and their children are but following the patterns of American life. The fact is that native and foreign born alike are in the grip of the Profit-Making Frankenstein which cares for neither law, country, fellowmen, nor God.

CONCLUSION

From this cursory review of available data, it would seem reasonable to conclude that prohibition has had little or no effect upon the foreign born and that, on the other hand, the foreign born have, by and large, followed the lead of the American community in their practices in regard to prohibition. The foreign born are in general immigrants of American life. Eager to improve their economic conditions, they readily put away their wonted occupations, colorful dress, languages, and social customs. They change their manner and in many cases their religion in their effort to comply with American life. It would be reasonable to expect that if and when the American community adopts different practices with reference to the observance of the prohibition law, the foreign born will follow suit and adapt themselves to the American way of life.

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Prohibition—A Step in a Process

By HARRY S. WARNER

THE effort to solve the alcohol drink problem in America did not reach the stage of prohibitory law by the route of stampede in the year of a national political campaign. The road that it took, the experimenting that accompanied it, and the heavy opposition encountered made of it something more fundamental than are many of the issues expressed or exploited in the skillfully worded platforms drawn up to win these quadrennial battles for votes. And this movement against alcoholic drink and the traffic back of it, legal or illegal, will be decided finally by education and discussion rather than by such campaigns, however much politics may be associated with it in the various steps to final decision. So the sharp controversy now going on may well bring again to the front the question, "What is it all about? Why this cleavage in opinion, public and private?"

After years in which attention has been centered on legislation, law, politics, violation, enforcement, and "bootlegging," the idea back of it all should have renewed attention. For, let there be no mistake, this struggle of a hundred years in America about alcoholic drink is something more than a struggle against "the saloon"—something more than a fight for or against prohibition. Indeed, it was not the saloon that was prohibited; no law, state or national, is directed against the saloon. It is the liquor sold through the saloon that was and is the object of banishment. With a generation coming on, many of whom never saw the place of sale called by that name, but who do see social

evasion, law defiance, and the promotion of an illegal traffic without an equally vivid picture of what a legal traffic is, and with many of the rest of us having forgotten the past, intentionally or otherwise, the meaning of alcoholic drink in society must again be faced frankly and fully, if any sense of reality is to be obtained.

The question now is: Does America want to have the general distribution of alcoholic drink continued under any form, legal or illegal? Does it want intoxicating beverages made available again, with the approval of organized society, to all who come? Does it wish to have the producing and sales systems adequate to such a traffic brought up to date and given legal standing? Does it want an industry based on a narcotic desire to have right-of-way in full competition with auto, milk, soda fountain, clothing, and other dealers, in the better future to which we are all looking forward? Do we want the process of reducing the place that "drink" has held in society to go on gradually toward elimination, or shall we give modern business a free hand to exploit again the unnatural desire for alcohol?

A SOCIAL WELFARE CONFLICT

The dangers of drink are well known. More and more they have become social. No longer, even in small measure, can they be confined to the individual. Never before in the world's history were the acts of a drinking man such a menace to the safety and happiness of others, or the business of supplying him alcohol such a menace to society.

Step by step this process has gone on from the time when a savage could drink himself stupid and sleep it off alone while his wife and children fared for themselves alone, as they knew how to do, down to the present, when even a small drink by a thoughtless youth in a car on a crowded road makes him a quick menace to the safety of hundreds. Drink indulgence may have been personal once. It is overwhelmingly social today.

Continuous everyday drinking on a large scale is possible only in highly socialized life. An abundant supply near at hand for frequent indulgence during the day makes heavy drinking systematic. Excessive intemperance of the individual is a form of sickness or a vice of savagery—of the ancient savage drinking himself into oblivion, or of the delayed savage of today who may pass long periods between debauches. But the daily soaking by vast numbers of men year in and year out is the peculiar product of quite modern times. The organized commercialization of intemperance is a social crime of civilization.

Then, too, even since the national prohibition idea was adopted twelve years ago, life has been speeded up and has become interdependent to a much greater degree than it was at that time. Now to be "one-fourth drunk," as Professor Carver says, is dangerous; drunkenness needs a stricter definition than it did when saloons were everywhere. As Professor Carver shows:

In these times, the man who is dead drunk is less of a menace than the one who is only what is sometimes called one-fourth drunk. The man who is dead drunk is dependable in a sort of negative sense. You can depend on him not to do mischief until he comes to. But the man who is only one-fourth drunk is a very uncertain person. He will do unpredictable things to the danger of every one. If he lived

alone it would be different, but in a great factory, in a crowded street, or anywhere in an interlocking civilization, he is a very undependable creature, and therefore a menace.

As stated by a British scientific writer, "There is no other one thing hindering the achievement of great citizenship like the prevailing effect of alcoholic indulgence; . . . [it is] a menace to national well-being."

A NEW AGE

The automobile, type of the new age, has come into general use largely since the anti-liquor movement came to a national head. In the United States today there is one automobile for each 4.77 persons; in the world outside of this country, one to every 56.5 persons. Detroit has a car for every 4 inhabitants, Amsterdam one for every 59, and Berlin one for every 61.

Yet the police department of Berlin, with one fifteenth as many autos as Detroit, finds drink a menace to traffic safety; and a London investigation reports, "If we could eliminate the moderate drinker from the road, we should eliminate four fifths of the traffic hazards due to drink."

Where, then, is the place for drinking drivers in American cities, to which auto saturation has come chiefly since—not before—prohibition? To bring beer back openly to American cities is to put it into a sort of life that did not exist when it flowed unlimited a few years ago.

More than ever in recent years as the use of machinery for fine specialized work and for heavy industry has developed, a corresponding demand has been placed on the men who handle these machines. Alcohol, injuring first and most continuously nervous energy, directing power, and keenness of judgment, disqualifies those who use it for

this most important new task in the industrial world. Increasing the danger of error means accident, loss of life, lower production, and unhappy coöperation. Workers do not work leisurely by hand at a workbench. They work in the midst of speeding wheels, saws, and belts. Intoxicating liquor would wreck a modern factory, confuse the worker, and demoralize the industry.

Professor Paul H. Nystrom, School of Business, Columbia University, has estimated that the amount of money formerly spent on alcoholic beverages and taken out of productive business was not less than five billion dollars a year. Returning this to more healthful uses, prohibition has increased the buying power of the Nation and the productive capacity of our mills and factories. Without prohibition, the industrial pace and the power of the masses of our people to buy would be again reduced. The return of prosperity under these circumstances might be postponed indefinitely.

"John Barleycorn has been caught in the fast revolving machinery of American industry. *There is no hope for him.*"

ALWAYS A VIOLATOR OF LAW

Organized society acting through government can have little patience with anything that has such a record of social disorder and law violation as has the trade in intoxicating liquors. In the long run, no attitude except that of relentless opposition and suppression is reasonable.

As are the bootlegger and the rum-runner today, so were the saloon keeper and the liquor dealer of yesterday—violators of law. For a half-century the reputation of the trade for evading, ignoring, and defying the regulations governing it was notorious. Laws to limit excess, against selling

after closing hours and on Sundays, to minors and to men already drunk, were ignored, not occasionally but continuously. Saloon keepers, brewery managers, and local politicians acted as if unaware of the existence of such regulations. There were exceptions—self-respecting saloon keepers of an earlier day, or from foreign lands, who tried to be law-abiding; but they were the exception. Usually the places that made the most money were those that evaded the most restrictions, provided questionable amusements, and encouraged the boys and young men of the neighborhood to become drinkers.

The national liquor organizations went farther and systematically encouraged violation of the laws restraining the traffic. They coöperated with law-breaking saloon keepers and blind-pig keepers to destroy public respect for all such laws. Their national publicity bureaus carried widely the assertion that liquor laws could not be enforced. Then the organization encouraged violation and defiance in order to "make good" on these public statements. Local officials faced the difficult position of trying to enforce law, not against the dealers of their own county so much as against the financial and political resources of the national organizations which boasted of their ability to defeat local law.

SOURCES OF POWER

The business of supplying liquor, legal or illegal, to those who want it or who can be made to want it, is run, as is any other, for profits. It gives large returns for small investments. It answers a demand which can be extended by promotion, almost beyond limit. Alcohol habitually used creates an ever increasing demand for itself, a demand so insistent, as it grows, as finally to limit and drive out both the

desire for, and the ability to satisfy, other economic needs. This makes alcohol an exceedingly valuable article of commerce to its producer and distributor. In the fact that men who use it, rich or poor, are determined to have it after the habit is formed, whatever the cost, lies the tremendous power of the economic source of this social burden. Habit and trade become mutual cause and effect, tending ever toward excess.

This narcotic source makes the liquor business, in whatever form it occurs, a natural cause of economic and political corruption, unfair business competition, violation of moral codes, and many forms of crime. It cannot be met without the decisive coöperation of government. Legal prohibition to weaken and gradually eliminate the traffic, supplemented by abundant education, is unavoidable if these sources are to be reached.

RESULTS WHERE MOST NEEDED

It is significant that among the constructive results of prohibition, so far, are those that occur in the groups which suffered most from alcoholic drink. Social workers of the cities, juvenile court judges, and children's bureau officials testify to reduced drinking and improved conditions. It was where alcoholic drink laid its heaviest hand on those who could least bear the burden, that the greatest improvement is found.

After thirty years in the crowded southwest slums of Chicago, Jane Addams says:

Here around Hull House we used to watch whisky and beer being left at the saloons by the dray load. The poverty and suffering from drink were appalling. There is such a difference now that it seems like another world. Our poor are moving away into better places. The whole standard of life is rising for them. Drinking has

decreased and so has our work of rehabilitating families.

From the Henry Street Settlement of New York City comes the experience of Lillian Wald, head resident, less concerned about "the four hundred" than "the four million," when she reports that the evils of the speak-easies are not to be compared with those of the past.

Nothing can ever equal the brazen way in which the saloons flaunted their power. . . . On Saturday nights their influence was most obvious and sinister. The trucks gathered around the curb while the men went inside with their pay envelopes. That scene has disappeared from one end of the country to the other, and with it have gone the Sunday brawls and the tragic Monday mornings when in the factory and workshop tearful women came to beg for advances on their husbands' wages. . . . Drunkenness twenty years ago and drunkenness today are as smallpox before and since men learned vaccination.

Salvation Army workers agree with the *War Cry* that "the poor and the children of the poor were outrageously exploited by the brewers and distillers; their debts were many, their poverty appalling, their intelligence low, their life prospects small, but today that is not true."

Economists, almost without exception, write of the advantages that prohibition has brought to the laborer and his family. The use in more healthful ways of the money formerly spent for liquor and the time formerly lost in Monday morning recovery, the better equipment, health, and clothing, and the greater self-respect all fit him to earn and to demand advancement and a larger share in the profits of his labor.

Even though well-to-do classes freely patronize the bootlegger, boast of this indulgence in their social groups, and defy legal restriction, though some

middle-class people, willing to pay the cost, imitate this example, and certain youth, as in the past, drink for the adventure of doing so, it is clear that even partially effective prohibition has resulted in immense gains to those who in the past were the heaviest victims of alcoholic indulgence.

A method of social improvement which strikes at the most unbearable of the burdens it was designed to reach, and does it effectively in the eyes of those who know those burdens best, has made a real advance in its program. It is doing first the thing that most needed to be done.

RESULT OF OBSERVED EXPERIMENTATION

A method of dealing with a national problem that has grown out of more than a hundred years of first-hand experimentation must be taken seriously. A thinking man would not expect it to be tested fully in twelve years. National prohibition came only after such a period of "trial and error," during which every other method known in this country or any other was put to the test during periods longer than has yet been given to national prohibition.

Beginning more than a century ago, the effort to reduce intemperance sought first to curb personal excess, to pledge drinkers to drink moderately, then to abstain from the strong liquors, then to limit indulgence in all kinds of liquors, then to abstain from all liquors. After this, noting that those who "swore off" were persistently drawn back to the drinking places, efforts were made to induce the seller to quit the business and enter another. At the same time, restrictions on the sale, limitation of the hours at which saloons might be open, restrictions against selling to minors, and other limitations became steadily more se-

vere. Regulations licensing the seller that he might be more responsible, value his privileges, and help to restrain excess, became more rigid, with larger fees. In some states the government took over the business of selling, seeking to eliminate the private dealer and his private profits. The dispensary and government monopoly were fully tested. In the large cities, "substitutes for the saloon," coffee clubs and counter attractions with soft drinks and games were promoted. As "clubs for working men" they failed because the nearby saloons continued to offer the alcoholic "kick" that they could not furnish. Beer at first was promoted to counteract the heavy drinking of spirits, with the result that the beer trade grew until, even with lower alcoholic content, it brought to individual users and to the drinking community a far greater quantity of alcohol than had previously been absorbed by use of distilled liquors.

Right along with these moral and restrictive efforts, and as a result of experience that brought out their limitations, came also the plan of legal prohibition. It was promoted at three different periods with increasing support and more lasting results. (1) The demand that the government cease to license dram shops that had been pulling back rescued drunkards, from 1851 to 1858 produced hundreds of dry counties and villages and thirteen prohibition states, one of the states permanently retaining its prohibition law. (2) From 1875 to 1900 five states adopted prohibition, while thousands of counties, townships, towns, and villages banished liquor sale by local option, no license, and similar methods. (3) In the third period twenty-five states adopted prohibition, as did thousands of additional counties, smaller cities, and rural communities; so that by the time the national act came

into effect, thirty-three states had adopted the policy.

All of this gave millions of citizens opportunity to study the results, before and after, at first-hand for themselves. The issue of "saloon or no saloon" became nation-wide. After 1900 the struggle was continuous, increasing in intensity, size of voting units, and volume of public opinion, until it merged into the final state prohibition and national campaigns.

By the time anti-drink sentiment reached a recognized national stage in 1912, it had back of it *two or more generations of experimental evidence* and thousands of local dry communities. Two generations of young people in the schools had received scientific instruction about alcohol, and the long discussion had gone far in educating the public on the whole question.

YET DRUNKENNESS GREW

Through these years the drink problem in America became increasingly difficult and severe. Pre-prohibition experimenting made the character of the struggle clear, educated public opinion, and increased the number of non-drinkers. Yet, in spite of all that was done, the per capita consumption stimulated by business promotion *failed not in its steady increase*. It was only after a considerable number of states, in addition to thousands of local communities, had banished the saloon that the tide began to turn. The peak years of liquor were 1911 and 1913, with a per capita consumption of 22.81 gallons for every man, woman, and child in the United States. In 1850 it had been 4.08 gallons; in 1890-1895, 16.96 gallons; in 1901-1905, 19.20 gallons. Not until 1911 did the trend of more than a half-century come to a standstill and it was not until several years later that a decline began.

While being driven from rural com-

munities and smaller cities, drink selling and use were increasing in the cities and industrial communities. Here the problem was complicated by the new immigration—nearly a million a year after 1900, practically all drink users—and by the well-to-do and aristocratic classes who had gained little from the anti-liquor experimenting of a century. While a great non-drinking population was being differentiated among the middle classes throughout the country, the cities were being saturated with liquor as never before in the history of the country; a "new-rich" society was increasing its indulgence in open, extravagant fashion; certain working classes were taking to beer more heavily, and competing breweries were turning it out at extremely low prices.

Says a Chicago investigator in 1907:

There is now one retailer to every two hundred and eighty-five people. . . . Every man, woman and child in Chicago drank, in 1906, two and one-half barrels of beer—each also drank about four gallons of spirituous liquor. The main object of the brewing business, the thorough saturation of the city, especially the tenement districts, with alcoholic liquors, is well fulfilled.

And the same liquor traffic intrenched in the cities, where the brewers owned 75 per cent of the retail places, developed systems for distributing liquors throughout the surrounding territory, with little regard as to whether such territory was wet or dry. In the central part of the country, as the states adopted prohibition, Chicago, Milwaukee, Kansas City, St. Louis, and other cities became centers of concerted effort to discredit and break down state and local measures. State lines, county lines, local option units, dry territory, could not be protected, even with the aid of new and drastic Federal interstate shipment laws. The bootleg business was promoted by liquor-pro-

ducing organizations that could not be controlled by laws too limited to cover the national range of the problem itself. No dry county or state was safe in the face of organized opposition so near at hand across state lines.

So it became evident out of rough experience that whatever education might do to reduce excess, or local and state laws might do toward removing saloons, certain great sources of the trouble could not be reached without legal action comprehensive enough to cover the difficulty. National action became necessary if there was to be any real prohibition, state, local, or otherwise.

"Far, then, from being a gratuitous stroke at a dying social custom," wrote Professor E. A. Ross, of the University of Wisconsin, in 1921, "prohibition was an urgent social-defense measure forced by greedy liquor interests which were so shortsighted that they would not leave non-drinkers alone."

LONG-TIME PUBLIC OPINION

In the years preceding national action, prohibition "had become by far the most democratic and progressive movement in American politics and social life," said Professor Thomas N. Carver of Harvard, just after the Amendment was adopted. Thousands of counties, smaller cities, towns, and townships, and the prohibition states had become "experiment stations" of practical, near-at-hand value. The conditions "before and after" were seen personally by vast numbers; the cleaner towns, the better dressed children of former drinking families, the increased savings in the banks, and the prompter paying of grocery bills in dry periods left impressions that the average citizen felt and appreciated.

Along with this was the equally evident result that local and state banish-

ment could not succeed alone in the face of a national liquor power. This conviction grew out of the constant succession of defeats and successes, alternate wet and dry periods, and vast first-hand experience. The public opinion that it expressed was the result of time and repeated votes and elections at which it was clarified, tested, and again expressed. This permitted the maturing of attitudes by continued votes in different years. For there are two very different phases of public opinion on a social welfare problem such as alcoholic drink. The first, appealed to at all elections, is made up in part of permanent tendencies on current issues, but also in large part of temporary emotions, prejudices, and ambitions to win. This sort of public opinion is subject to easy reaction. The other is more deliberate, slower in forming, more concrete, and less subject to sudden reversal. It is expressed in repeated votes cast in the same general direction. It represents experience and observation, as well as ideas and emotions. This form of public opinion, as James Bryce wrote after many years in this country, "expresses what is more or less thought and felt in all the parties by their more temperate and unbiased members."

CONCLUSION

There is no known solution for the liquor problem in America that is adequate or possible *without the accompanying pressure of prohibitory law by both State and Nation:*

(1) on account of the antisocial character of the liquor evil, intensified and made more acute by the speed and intercommunication of recent years;

(2) on account of the narcotic effect of alcohol on its user and the resulting "narcotic" force of its demand as a source of profits, legal and illegal, to those who wish to make profits out of it; and

(3) on account of actual experience, the insufficiency of all other methods tested in one hundred years of American history, and the inability of any one friend or foe of drink, to offer any other solution that reaches the sources of the trouble.

But can liquor banishment really be made effective? Recall, first, that according to such government reports as are available, production today is about one third of what it was under normal prewar conditions; and, second, that even the American Government itself was a critical experiment for more than a quarter of a century. It was as late as 1831 that Chief Justice Marshall wrote: "I yield slowly and reluctantly to the conviction that our Constitution cannot last. Our opinions are incompatible with a united government, even among ourselves."

It is easy to underestimate the spir-

itual side. It takes courage, faith, and patience to develop new instruments of social control. No institution ever comes into its own with 100 per cent success. It is bound to meet with setbacks and occasional breakdowns, but, if true to human need, it will gradually become established as a result of these very struggles.

During four generations, vast numbers of unconvinced people and the young of each new generation were enabled to see for themselves the results, good and bad as they might be, of the successive steps of "moderation," "total abstinence," "regulation," "license," "local prohibition," "local option," "government ownership," "state control," and "state prohibition." It will take time, perhaps a generation, but the friends of freedom from the liquor menace are not the ones who need fear the outcome. Liquor—not its prohibition—is doomed!

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License and Liquor or Law and Loyalty?

By CLARENCE TRUE WILSON

THE fight for prohibition is not a battle, but a war. It is a war against an age-old evil which has blighted the nations for generations and scourged the world since the beginning of the agricultural era; an evil which Gladstone said had caused more deaths than war, pestilence, and famine combined.

Prohibition calls for absolute conviction, intolerance of defeatism, and a fighting determination to win.

It is the bounden duty of the Government to exert "force to the uttermost," within the bounds of Constitutional limitation, that the will of the people, duly expressed according to the forms of our government, shall be made triumphant over crime. Democracy is put to the test. If a law which secured a two-thirds vote of both Houses of Congress and was ratified by 46 out of a possible 48 State Legislatures can be nullified or thwarted by obstruction or propaganda, the prestige of government will be threatened, the validity of decisions by the electorate will be menaced, and republican forms of government will break down. Our problem now is not whether prohibition shall fail, but whether our form of government shall crash.

EVERYTHING ELSE WAS TRIED

The prohibitionists of America can report to the world that for one hundred and fifty years they encouraged every method that would lessen the evils of intemperance and curb the traffic in alcoholic liquors. We tried every plan that the wisdom of the men could devise.

We pledged drinkers to moderation, but found that the seeds of an insatiable appetite had been planted. We pledged multitudes to total abstinence from the distilled liquors, but found that the use of milder liquors created the alcohol habit. We encouraged the total abstinence movement against the use of all intoxicants, but the growing liquor traffic debauched mankind faster than we could save them. We tried licensing it, and intrenched it in law and custom. We tried high license, and the saloon which could pay the highest license was the saloon which was linked with gambling and prostitution and allied itself with every activity of the underworld. We tried local option; it was too local and too optional to meet a national and world evil.

We adopted state-wide prohibition; but national organizations poured a stream of intoxicating liquor across the state lines, and a Federally protected national trade used the mails to build up a great express and freight business in intoxicating liquors. We passed the Webb-Kenyon Bill to protect dry territory against the inroads of wet states, but the brewers and distillers sent long trainloads under the protection of interstate commerce and their liquors mysteriously leaked out in transit.

We closed the saloons in country places, but the farmers' sons and daughters who went to the city met the liquor traffic there; and the taxes of the farmer went to support institutions maintained for the relief of city delinquents and defectives. We tried

government ownership and control in South Carolina, selling liquor in packages not to be opened on the premises; but gathering places were established where drunkenness prevailed without restriction. The direct relation of the state to the liquor traffic resulted in scandalous corruption and intolerable conditions. This the people rebuked by the enactment of a State Prohibition law.

By inevitable steps, the battle front throughout the Nation became a question of "saloons or no saloons." National prohibition was a necessity because the evil was national and growing.

A TWOFOLD UNDERTAKING

There are two things that had to be met in the temperance reform: the private appetite and the public traffic.

The private appetite is controlled by sentiment, judgment, education, home training, religious standards, and the exercise of moral suasion on the will. If people are still drinking, that may not be the fault of prohibition. It may be the fault of parental example, lack of home training, lack of moral suasion in the Sunday schools and churches, and a failure of the public schools in accordance with law to give instructions to the youth on the effects of alcohol, narcotics, and opiates upon the human system.

But why blame prohibition for our failure all along the line? Prohibition is the designed remedy for the evils of the public and legalized liquor traffic. Its purpose was to outlaw the making and selling of intoxicating liquor. If it stops the distillery and the brewery, closes the saloon, and breaks up the power of the liquor traffic in public life, it has succeeded in its purpose. The temperance reform is a two-handed affair, not one-armed. It works through total abstinence for the indi-

vidual, and complete legal prohibition of the traffic in liquors as the duty of civil government. This is the A B C of the whole movement.

If I drink liquor I have violated the principle of total abstinence, but I have not shown that prohibition is a failure. If I sell liquor I have violated prohibition, but I have not proved that total abstinence is a failure. The two movements, though both a part of the temperance reform, are totally distinct. Judge of each by what it is intended to do. The lady who wrote me, "It seems since the war that everything is going bad; the colleges are just as skeptical; the churches are just as formal; the boys are just as rough and the girls bolder than ever; I don't see what prohibition has done"—was not a logical thinker.

Those people who persist in judging prohibition by standards that do not apply, remind me of the queer old bachelor who wrote a letter of complaint to the corn syrup factory. He said, "I have taken four cans of your corn syrup, and my corns are not a bit better." Find out what prohibition was for, and judge it by that—not by what it was never intended to effect.

The prohibitionists, being human, have made some mistakes. We have not kept up our educational campaign. We have failed in our pledge-signing appeals for total abstinence. We have neglected the subject in our pulpits, unwisely expecting the enactment of laws to do our work. We are confronted by a generation that has grown up since our educational methods were in full operation. Our forces have not been so united as they were when brisk fighting with the common enemy drew us together in sympathetic bonds.

I am willing to confess on the part of the Drys that there has been a deplorable subsidence in educational

effort. Individual drinking should be handled by moral suasion—by the appeal of the church and the school. We should instruct our young people that alcohol is an irritant, narcotic, depressant drug and that total abstinence is the better plan of life. It is the traffic in intoxicants, which must have social protection to exist, that is susceptible to treatment by prohibition.

I have been struck by the failure of the opponents of prohibition to agree upon any program of legislation which they are willing to advocate as a remedy for the alleged ills of prohibition. If they offer us government control, we can meet the proposal with an indictment of the system based upon the experience of South Carolina and upon the various provinces of Canada. If they offer us a beer and wine system, we need only point to the fact that this would automatically restore the entire liquor bill and would reestablish every problem of distribution, and we could further point to the fact that "of the ten European countries having the highest per capita spirits consumption, five—France, Austria, Hungary, Germany, and Holland—have been also among the ten largest beer drinkers. Five—France, Austria, Hungary, Serbia, and Rumania—have been among the ten largest wine drinkers. Every one of the ten nations having the highest consumption of alcohol in Europe have been among the first ten of either the beer or wine group." The demands of modern social life make absolute prohibition necessary.

The recent Ecumenical Conference sent out a clarion appeal to the pulpits and the press of world Methodism to set apart periods for the education of the people on the evils of intemperance, the value of abstinence, and the standards of the Church for efficient methods in overcoming the evils of alcoholism and of the legalized liquor

traffic. They unanimously declared that a crusade of reverence for law and a personal observance of it must be led by the Church of Christ. In such a war the majority of the people, speaking through their government, have a right to ask and expect the wholehearted coöperation of every patriotic citizen, without regard to his belief as to the validity of the prohibition theory. This is not the time to discuss the theoretical aspects of prohibition; the time has come to defeat an impudent challenge to the majesty and authority of the United States.

PROHIBITION MUST BE GIVEN FAIR TRIAL

I think this fact may be taken as final: Prohibition should never be repealed in this country until it is satisfactorily enforced from the Atlantic to the Pacific and from the Canadian border to the Gulf of Mexico. If it is nullified or thwarted by obstruction, the fact will constitute a blot upon the pages of our history which could be erased only by the triumphant restoration of the policy and its complete vindication by enforcement. It is the duty of those citizens who believe that public questions in this country should be settled at the ballot box by the election of representatives to Congress and the State Legislatures, to gird themselves once more for the fray, to reach the most remote districts with an appeal to every good citizen to rally in defense of the honor of the country, to pledge their lives, their fortunes, and their sacred honor to unrelenting effort until that day when it shall have been definitely established that Constitutional decisions cannot be changed by methods of obstruction or incitement to crime.

The issues of this contest being what they are, the friends of the prohibition law have a right to expect whole-

hearted utterance and action on the part of their elected officials in municipality, county, state, and nation. When the country is at war, the leader who is neutral in thought or utterance degrades his citizenship, betrays the confidence of the people, and stultifies his own manhood.

No official connected with the government in recent years has ever been more splendidly right than was Attorney-General Mitchell when he announced that so far as lay within his power, officials chosen to promote enforcement of the prohibition law should be men convinced of the wisdom of the policy and men who evidenced their loyalty to the Constitution by refusal to drink liquors manufactured and vended in defiance of the fundamental law. If that policy had obtained for the past ten years, if it had been maintained in spite of the efforts of politicians to fill the prohibition service and the offices of district attorneys with law-defying Wets, the Federal enforcement of prohibition would today be infinitely beyond where it is.

No man should be selected or elected to enforce this law who must work against his conscience to succeed. I have never known a real Dry in charge of enforcement of the prohibition law in any area, whose office was not administered with a degree of efficiency in striking contrast to that of offices directed by men who administered the law with their tongues in their cheeks, men who accepted graft or who turned a willing ear to the suggestions of wet politicians interested in protecting the activities of criminals. To expect a Wet to enforce the prohibition law is as reasonable as it is to expect a wolf to guard a sheepfold.

ADROIT ATTACKS

The obstructive, crime-promoting, rebellion-inciting effort of certain sub-

sidized newspapers which seek to create a reign of nullification and lawlessness—the effort to justify such a proposal by the doctrine of a “higher lawlessness,” is a definite attack upon the liberties and privileges of the dry majority of people in this country. The rights attacked are the rights established by our forefathers at Valley Forge and Yorktown—the right to participate effectively in government, the right to make use of the franchise to achieve decisions which shall be effective in administration, respected by the minority until such time as the minority by winning the support of freemen to a constructive program shall itself become a majority.

For generations the Federal Government permitted, protected, and perpetuated the liquor traffic by a system of license. It did this despite the fact that the system violated the principles of righteousness held by millions of people. It imposed upon them grievous injuries and vast expenses to care for the burden of poverty and woe caused by drink. At no time was the maintenance of this system challenged by methods of obstruction and crime by the prohibitionists of America. Saloons, conducted under the protection of law, were safe from molestation; breweries and distilleries carried on their traffic without interference; the Drys did not criminally interfere with collectors of revenue in the performance of their duties. Merchants saw profits diverted from their business to the till of the saloon. The Church found its work grievously interfered with by the liquor trade lying in wait for its converts. Even suffering wives and distressed mothers respected, the majority opinion that license was the only way of dealing with the liquor traffic. They sought relief directly in appeal to the Christian conscience and the alert intelligence of the American

voter. They patiently awaited the glad day when a convinced majority should by orderly processes establish a different and better system.

WHAT THE DRYS HAVE A
RIGHT TO EXPECT

These people have a right to expect that their victory, democratically achieved, shall be observed, just as they respected the right of the majority in the day when that majority maintained a system utterly obnoxious to them. Shall wet votes only be counted at the voting booth? Shall dry votes be ineffective when cast? Must decisions at the polls be of a certain character or else be rejected as no decisions? The sons and daughters of the men who followed Washington with bare and bleeding feet will never consent to such a denial of their hard-earned freedom.

The present rebellion in the United States against majority rule reveals the lawless and destructive character of the liquor traffic and of its minions. They have accepted all the privileges of majority rule for a hundred and fifty years, but refuse to abide by that rule when it goes against them.

If ever a contest called for the loyalty of patriotic men and women in every section of the country alike, it is the present contest. Prohibition is an honest effort to do away with a terrible evil. Good citizens, even though they do not believe in the wisdom of the policy, will loyally place themselves on the side of the Government. Loyalty to law on the part of a patriotic citizen is not predicated upon his belief in a given enactment. The loyal man will say, "The people of the United States may be wrong. Prohibition may be unwise, but it has been adopted by my Government; it is entitled to as fair a chance and as long a time to show what it can do for mankind as the license

system was given. Every other method of dealing with the problem has failed. The new policy must have a fair test. I will obey the law. I will advocate observance of the law. I will support enforcement of the law. Then if prohibition fails, I can with good grace ask its supporters to consent to the establishment of a different system."

America has made herself a great experiment station to work out the problems of a saloonless land with no liquor revenue from the debauchery of its people. Her plan, nobly conceived and self-sacrificingly adopted, deserves to succeed. If it does, it will prove to every nation of the earth that it can run its government, educate its children, build its highways, pay its war debts, and reduce its taxes without the help of one tainted dollar of liquor revenue in its treasury forever. If it fails, it will set back the cause of human uplift for generations. But it is not going to fail.

PARAMOUNT CLAIMS

Prohibition has a claim upon the support of the dissenter because it came by democratic methods following Constitutional processes. It was preceded by thousands of local campaigns. It was a major issue in almost every legislative and Congressional election for a generation before the Constitutional Amendment was submitted. Congress has been dry for several sessions, and it passed numbers of laws before the Constitutional Amendment came to a vote. Finally submitted, the Amendment had the support of more than two-thirds of Congress and was ratified by the legislatures of all but two states. We are told that the people have never really had an opportunity to express their opinion in regard to the policy; but they have gone to the polls and overwhelmingly elected dry Congresses

time after time since the policy became law. It cannot be said that the period of experimentation was too short. It cannot be said that the methods used were unconstitutional.

The policy has a claim upon the support of the dissenter because of its idealism. It was the blessed hope of the nineteenth century prohibitionists. It was the product of the prayers, the tears, the hopes, and the unceasing work of crusading mothers. If finally it should fail, that failure certainly should come only after it has been given every opportunity. The purpose of the law cannot be challenged. The immortal Lincoln, in his famous Washington's Birthday address, said:

Whether or not the world would be vastly benefited by a total and final banishment from it of all intoxicating drinks seems to me not now an open question. Three fourths of mankind confess the affirmative with their lips, and I believe all the rest acknowledge it in their hearts.

Prohibition should be supported by all patriotic men because of its noble purpose. That purpose is entitled to the aid of all, and not to be thwarted by any, who wish well to their fellow men. That there is possible good in prohibition was clearly indicated in the first year of the experiment, when all men seemed to see the amazing benefits of the law. And even today, conditions show enormous changes for the better. Whatever objections to the policy may be entertained, intelligent men know that the standard of living of the average man in America is vastly higher than under license. The totals of insurance and savings have enormously increased, home building is prevalent, the number of college students has multiplied, the high schools are bulging full, and the banks, the savings banks, and the building and loan associations have been thriving unprecedentedly for eleven years. Economists are al-

most unanimous in attributing this state of affairs to the diversion of liquor expenditures from a wasteful trade to constructive and useful industry and commerce. Business men owe a vast debt of gratitude to the prohibition amendment for the increase in buying power which it has yielded.

Prohibition came none too soon for the high tension of the war. The after effects of the war upon the nerves and the habits of mankind demanded a remedy for the evils of public and increased liquor drinking. This machine age, with its delicate adjustments requiring clear brains and steady nerves, demanded prohibition of the trade in intoxicants. With sixty million people driving automobiles, and increasing thousands piloting airplanes over our heads, this is no time to ply them with liquor. Henry Ford was right when he said, "Alcohol and gasoline will not mix." No wonder our matchless Edison stood firm to the day of his death for a saloonless country and an alcohol-free world!

We were striking at the root of the evil when we outlawed the manufacture and sale of intoxicating drinks. By so doing, we stopped the distillery and the brewery, closed the saloon, removed the abnormal temptation from our streets, destroyed the license system, and broke the power of the liquor traffic in politics. This vast benefit to mankind was the sole purpose of prohibition. Should any patriotic man be willing to take upon himself the responsibility of attempting to thwart a purpose so beneficent? Would it not be better to allow that purpose to fall by any weight of error in the policy itself rather than to hasten that fall by obstruction and denunciation?

What if the Amendment were to be repealed and a five-billion-dollar trade in intoxicants established? The

stream of gold which would flow into liquor establishments would necessarily pass by the doors of the grocery and the dry goods store, the amusement house, the automobile establishment, and the bank. The men engaged in legitimate business in this country would within a few months be forced to inaugurate a prohibition campaign which would overshadow anything of that kind ever before attempted.

THE CAUSE IS RIGHT

Gladstone declared, "It is the province of government to make it easy for men to do right and difficult for them to go wrong." In testing what is wrong, the public welfare is the supreme law. The license system confronted the poor man with the wide open saloon. It invited and urged him to go wrong. Prohibition makes it possible and even easy to go right. It is better to have to hunt evil than to be hunted down by it.

Prohibition has had timid handling by politicians, but the people have sustained it. They have learned that compromisers can never enforce this law. To fulfill that function of government is not the pastime of an hour, but the manly, hero-born, martyr-bred, Lincoln-like work of a lifetime.

The defects in prohibition enforcement can never justify a citizen's drinking poison, patronizing bootleggers, or trampling under foot the law of the land he loves. He gets his life, liberty, and the pursuit of happiness here; why bite the hand that feeds him?

The political Wets who take an oath of loyalty to their country's fundamental law and then violate it are as distinct hypocrites and perjurers as those who vote dry and drink wet. There is no difference in the obligation of Wets and Drys, if both alike take the oath of fealty to the Constitution.

An official of this Government or an officer of Army or Navy who holds up his hand to God and swears to uphold the Constitution and the laws of the land and then patronizes bootleggers, has perjured himself and degraded his honor, and is not fit for the public service.

Men may violate the prohibition law if they choose; but every other law, human and divine, is subject to the same contingency. Stealing does not prove there should be no law against it. The Ten Commandments are still violated, but it is not proposed to repeal them on that account. Prohibition at its worst is better than the license system at its best.

"But we want beer back." Well, we will help you bring it back when you show us who needs it and ought to have it. Is it the automobile drivers or the aviators, the railroad engineers or our college boys, the women of our homes or our children? The Church must not forget the argument of that farmer who, when prohibition was trembling in the balance before the Kansas Legislature, arose and said, "I have just seven good reasons for supporting this law—four sons and three daughters."

The American citizen has millions of sons and daughters, every one a standing reason why we should make war on the liquor traffic—why we should stand together against all compromises—why we should observe the laws of the land and constantly move for better laws—why we should unite for the observance and enforcement of national prohibition until we have a saloonless race and the prayer of the immortal Lincoln is answered—"A whole world without a slave or a drunkard in it."

That prayer is beginning to be answered now. I have just attended the Methodist Ecumenical Conference. Delegates from every section of the

earth all marked the utter absence of saloons. America has no license system, no partnership with the liquor traffic, no complicity with drunkard making, no organized liquor power to interfere with good government. Men can buy liquor by hunting it and risking violation of law, but the state is not establishing organized temptation for its boys and girls. It accepts no revenue from the debauchery of its citizens, but is saving to the people five billions we would be wasting for liquor annually, and saving Church and State, school and home, that iniquitous competition so long maintained by the saloon. "The Noble Experiment" is succeeding. It deserves your coöperation.

AN APPEAL TO FELLOW-CITIZENS

And so I appeal to the dissenting portion of the public, in the interest of fair play toward a noble experiment in government, to help make this a sober world. First, observe the law personally and in your family; then help to enforce the law in your community. Then if it be found to be a mistaken policy, repeal it; and repeal it just exactly as it was first enacted—by the Constitutional processes. Otherwise a shock will be felt throughout the structure of American government, a shock which will endanger the essential interests of every man who has a wife and children to be protected by law—whose bonds and business rest secure because of the stability of the American Constitution.

Prohibition is law plus administration. The duty of the Federal Government is to make use of Federal judicial investigating and prosecuting agencies to enforce the prohibition law, with due regard to our federal form of government and the division of duties between State and Nation. In this undertaking, the amount of money to be spent

and the extent of force to be employed take secondary place. The flow of rum across the borders should be stopped, without regard to the extent of the effort necessary to stop it; the diversion of liquors released under permit should be stopped, without regard to the interests of wet politicians. The manufacture of liquors for the illicit trade should be stopped, by decisive action.

But it has never been my belief that the Federal Government should be called upon to do this work; and where it is necessary that such work shall be Federally done, the fact constitutes an indictment of the State government which imposes the duty upon Washington. The people of any state have a right to protection from the liquor trade, a right which rests upon a constitutional basis; and if this right is not protected by the State government, it must be protected by the Federal Government. But primarily the duty rests upon the state and the municipality. I believe the time has come when the Drys in every political division of the country should insist that sheriffs and county attorneys and mayors and police and local judges enforce the law or *get out*. The people are ready for such a movement.

We call upon the Federal Government to be partisan in this war. No war was ever won by neutrality in thought or deed. Point every Wet in office to the nearest exit. Pass the word down the line that the law is to be enforced without fear or favor. Tell the confused and puzzled citizen that prohibition ought to be enforced because it is the law and because it is a good law.

We call upon the states for loyalty to the Nation. Let there be a local enforcement statute in every state code. Place in office in every state and county men who believe that the law can be enforced and who will enforce it.

Our wet friends have tried drinking it up, defying law and Constitution and majority rule. They have adopted rebellion and incitement to rebellion. They have called for a referendum, forgetting that we just had it in the Nation and in every state. Now why not try obedience to law, submitting to Constitutional government, practicing the Golden Rule, and setting a safe example before the young

in your family and among your neighbors?

We call upon every mother with a child at her knee, every father with the responsibility of his example upon him, every school teacher with the welfare of her pupils before her, every minister, every molder of opinion and leader of sentiment to unite in the effort to show the wide world a saloonless nation and a stainless Flag.

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Movement Against Prohibition

By JOHN C. GEBHART

NOT even the most confirmed prohibitionist will deny that the movement against prohibition is rapidly gaining ground. It is impossible to measure accurately the rapidity of the change of public sentiment, because we do not know definitely how much popular support national prohibition had in the beginning, nor is there any thoroughly reliable means of recording sentiment against the policy at the present time. Official state referendums prior to and since prohibition, as well as unofficial straw votes, while by no means conclusive, all show a marked shift in public sentiment against the attempt to enforce "universal total abstinence by law."

STATE REFERENDUMS

Prior to national prohibition, a number of states held referendums, usually on the question of amending their constitutions so as to make statewide prohibition mandatory. Since national prohibition, a number of state referendums have been held on the questions of the adoption of state enforcement acts, the modification of national prohibition, or the repeal of the Eighteenth Amendment. There is, of course, a wide variety in the questions submitted, and they do not represent all sections of the country, because in many states there has been no public expression of opinion on any phase of prohibition. Nevertheless, a comparison of the trend of sentiment in the state referendums before national prohibition with the trend in those which have been held since 1920 has some value as indicating the shift in public opinion.

From 1880 to 1919, state referendums were held in 25 states. The total vote polled in these 25 states was 5,212,449, of which 2,937,580, or 56.3 per cent, were dry.¹ The majority of these pre-prohibition votes was less than 7 per cent. On the basis of this slim majority in states which were presumably dry, it can hardly be claimed that prohibition had an overwhelmingly popular support before the Eighteenth Amendment was adopted.

We have examined the results of state referendums held since national prohibition was adopted. Some states have had more than one referendum since 1920. We have therefore considered only the latest vote in each state. We have also included the Ohio referendum of November 1919, because it was on the question of the ratification of the Eighteenth Amendment by the state legislature. The total vote in the 13 state referendums included in this category was 9,596,301. The total wet vote was 5,735,569, or 59.8 per cent.

On the basis of state referendums, therefore, there has apparently been a shift from a wet vote of 43.7 per cent before 1920 to a wet vote of 59.8 per cent since 1920.

LITERARY DIGEST POLLS

Despite their obvious shortcomings, the three polls taken by the *Literary Digest* in the decade from 1922 to 1932 serve as the best single index we have of the shift in public sentiment on national prohibition. Professor Walter F. Willcox² and Professor Claude E.

¹ Merz, Charles, *The Dry Decade*, p. 307.

² *Journal of American Statistical Association*, Sept. 1931.

Robinson³ have made exhaustive studies of the dependability of *Digest* polls. There is, we believe, some basis for Professor Robinson's contention that the *Digest* polls exaggerate wet sentiment to some extent, though he offers no final method for discounting that tendency. Even granting that the *Digest* polls overstate wet sentiment to some degree at least, certain conclusions can safely be drawn from them.

The *Digest* polls reveal a marked shift in repeal sentiment in the decade from 1922 to 1932. In the former year, 38.5 per cent of all the ballots returned favored the retention of prohibition. In 1932, only 26.5 per cent of the ballots returned favored prohibition. There has thus been a shift of 12 per cent in the prohibition vote. This is equivalent to a loss of 31.2 per cent in dry strength. On the other hand, the total wet vote has increased from 61.5 per cent in 1922 to 73.5 per cent, a gain of 19.5 per cent in wet strength.

The 1922 and 1930 polls which included three questions—retention, modification, and repeal—show a marked shift from modification to repeal. In 1922, 40.9 per cent of the ballots were for modification; in 1930, only 29.1 per cent were for modification—a shift of 11.8 per cent. The vote for retention dropped from 38.5 per cent in 1922 to 30.5 per cent in 1930, a shift of 8 per cent. On the other hand the repeal vote increased from 20.6 per cent in 1922 to 40.4 per cent in 1930, a shift of 19.8 per cent. Thus, repeal gained most from the shift from modification (11.8 per cent), but also from the shift from retention (8 per cent).

The criticism that the *Digest* poll exaggerates wet sentiment throughout the country probably does not invalidate its usefulness in predicting the ranking of the states with respect to

repeal sentiment. For example, on this basis Kansas and North Carolina are at the bottom of the list, while Nevada, New Jersey, and New York are at the top. No method has been devised for discounting the wet vote as given in the *Digest* poll so as to predict the probable wet vote which each state would give in an official referendum. Tentatively it seems safe to assume that any state which gave more than 60 per cent of its ballots for repeal in the *Digest* poll would give at least 50 per cent in an official referendum. There are only 8 states which in the *Digest* poll of 1932 gave less than 60 per cent for repeal and 40 per cent for prohibition. These states, given in the order of the per cent vote for prohibition in the 1932 poll are as follows:

State	Per Cent Vote for Prohibition
Kansas.....	50.2
North Carolina.....	50.1
Tennessee.....	48.5
Arkansas.....	47.8
Oklahoma.....	45.5
Alabama.....	44.5
Mississippi.....	44.0
South Carolina.....	40.1

Thirteen states are required to block repeal. According to this reckoning the Drys would fall short by five states of blocking repeal. If we list all the states in order of their votes for prohibition, we find that the thirteenth state (Georgia) gave only 35.5 per cent for retention. It seems unlikely that that percentage could be increased to over 50 per cent in an official vote on prohibition, for this would mean a shift of 14.5 per cent, or a gain of over 40 per cent in dry strength.

PROFESSIONAL GROUPS

In 1930 the *Literary Digest* made a separate poll of bankers, clergymen,

³ *New Republic*, April 13, 1932.

educators, lawyers, physicians, and *Literary Digest* subscribers. Except for educators, the same groups were polled again in 1932. In 1930, ministers and educators were the only special groups which gave a majority for prohibition. The ministers gave 57.6 per cent for prohibition; the educators gave 60.7 per cent. The latter vote is chiefly a woman's vote, for it was made up largely of elementary and high school teachers.

All the special groups polled in 1932 showed an increase in the wet vote over 1930. The bankers' wet vote increased from 58.5 to 65.8 per cent, equivalent to a gain of 12.5 per cent in wet strength. Even the ministers increased their wet vote from 42.4 to 45.1 per cent. The ministers voting in the *Digest* poll represented roughly 40 per cent of the entire clergy of all creeds in this country. Lawyers and physicians were the wettest of the professional groups in both polls. Lawyers increased their wet vote from 71.1 to 75.8 per cent. Physicians increased their wet vote from 69.6 to 75.5 per cent. *Literary Digest* subscribers showed an increase from 60.6 to 71.3 per cent in wet sentiment. It is significant that wet sentiment has increased faster in these professional groups than in the main poll. Even the clergy in 1932 showed a majority of less than 5 per cent for prohibition.

YOUTH AND PROHIBITION

Is the younger generation in revolt against prohibition? The question is important because the voters who have come of age since the Eighteenth Amendment was ratified now embrace 38 per cent of all eligible voters. By November 1937 they will control a majority of the votes. Unfortunately there is little concrete data on the attitude of those between 21 and 35 years of age on prohibition. The college

polls taken in 1930 and 1932 indicate an overwhelming wet sentiment, but these polls will be discounted by prohibitionists because they were taken almost exclusively in large Eastern colleges where wet sentiment is strongest.

The poll in 1930 was taken among approximately 30,000 undergraduates in 17 men's colleges.⁴ Less than one fifth (19 per cent) were for strict enforcement, 50 per cent were for modification, and 31 per cent for repeal.

In 1932, about 10,000 students in five men's and five women's colleges were polled on the question of proposed party planks on prohibition.⁵ The choices offered were: "Continuance," "Modification," "Repeal," and "Referendum." Repeal received the largest vote, 43.5 per cent of the entire group, 47.7 per cent of the men's vote, and 33.8 per cent of the women's. Modification ranked second with 29.2 per cent of the entire vote, 33.3 per cent of the women's, and 27.4 per cent of the men's. The total poll gave 22.2 per cent for referendum, 25.8 per cent among the women, and 20.6 per cent among the men. Only 5.2 per cent of the entire vote polled favored continuance of prohibition, 7.1 per cent of the women's vote, and 4.3 per cent of the men's.

WICKERSHAM REPORT

The Wickersham Commission on Law Enforcement issued its report on prohibition on January 20, 1931. In spite of misleading conclusions appended to the report, the document itself is a serious indictment of the failure of prohibition enforcement. The main report and the individual statements of the commissioners deal in unmistakable terms with the increase in corruption

⁴ Prohibition Amendment—Hearings before the House Judiciary Committee, 71st Congress, Part 3, 1930, p. 1299.

⁵ *New York Times*, June 1, 1932.

attributable to prohibition, the rapid growth of the illicit liquor industry, the demoralizing effect of nonobservance on the entire problem of law enforcement, and the disastrous effect which prohibition enforcement has had on our Federal judicial system and our prison problem.

All the commissioners except one, Mr. Monte M. Lemann, signed the report, though each commissioner expressed his own views in a separate statement. Though advocating further trial, Judge Kenyon and Mr. Wickersham recommended immediate submission of repeal of the Eighteenth Amendment. The line-up of the eleven commissioners, as indicated in their individual statements, is as follows:

Two—Mr. Baker and Mr. Lemann—favored immediate repeal of the Eighteenth Amendment.

Five—Messrs. Anderson, Loesch, Mackintosh, and Pound and Miss Comstock—favored the revision of the Eighteenth Amendment and the immediate adoption of the Anderson plan of national and state monopoly as soon as practicable.

Two—Mr. McCormick and Mr. Kenyon—favored the revision of the Eighteenth Amendment and the adoption of the Anderson plan after further trial of national prohibition.

Two—Mr. Grubb and Mr. Wickersham—favored further trial of national prohibition, but were opposed to revision of the Eighteenth Amendment.

ORGANIZED OPPOSITION

When the Eighteenth Amendment was before Congress and before the state legislatures for ratification, organized opposition was confined almost solely to brewers and distillers. This is partly due to the fact that the American people at that time were primarily concerned with the issues growing out of the World War. The Eighteenth Amendment passed the Senate on August 1, 1917, and passed the House

on December 17, 1917. The United States declared war on April 6, 1917. The Congress which proposed the amendment was elected in 1916 on issues in no way related to national prohibition. National prohibition was not mentioned in the platform of either party and played no part in the national campaign.

The ratification of the Eighteenth Amendment by the states began in January 1918 and was completed by January 16, 1919. The Armistice was signed on November 11, 1918, and within two months of this date the amendment had been ratified by three fourths of the states.

But even if we had not been at war, it is doubtful whether public sentiment opposed to prohibition could have been organized quickly enough to offset the political machine set up by the Anti-Saloon League and other organizations. In his *The Dry Decade*, Charles Merz says:

It is idle even to guess whether the Eighteenth Amendment would have been adopted in 1919 if the people opposed to it on principle had set out systematically to organize their opposition twenty years before it reached a vote in Congress. The question was not tested. The opponents of national prohibition never fought their battle. They chose to lose it by default.

In the early days of national prohibition it was hardly considered respectable to favor openly the repeal of the Eighteenth Amendment or its radical revision. It is true that a number of outstanding citizens of unquestioned integrity and patriotism, like Nicholas Murray Butler, were openly opposed to prohibition from its very beginning. It will also be recalled that when the Amendment was up for ratification, the Honorable William Howard Taft, then a private citizen, attacked it in the bitterest terms and prophesied its complete failure.

But with the steady drift of popular sentiment against prohibition and with the continued evidence of the disastrous failure of the experiment, many who had originally favored national prohibition and hoped that it would furnish a real solution of the drink problem came out openly for repeal. In April, 1928 the Association Against the Prohibition Amendment, the first organization to come out openly for repeal of the Eighteenth Amendment, announced the formation of a board of directors which included such outstanding national figures as Pierre S. du Pont, Charles H. Sabin, Edward S. Harkness, ex-Senator James W. Wadsworth, Professor Richard H. Dabney, and Dr. Fabian Franklin. Within the last two years such men as President Hibben of Princeton University, General John J. Pershing, and President Hopkins of Dartmouth, all of whom formerly favored prohibition, have come out openly and vigorously for repeal of the Eighteenth Amendment.

As recently as June 6, 1932, Mr. John D. Rockefeller, Jr., in a letter to President Nicholas Murray Butler, expressed his keen disappointment with the failure of prohibition and announced that he was now convinced that the Eighteenth Amendment had failed, and recommended its immediate repeal. Mr. Rockefeller's action was immediately followed by a statement by Mr. John R. Mott of the International Y. M. C. A., who advocated a public referendum on the question of prohibition. Within a few days Mr. Alfred P. Sloan, Jr., president of General Motors, in a radio address also came out for repeal of the Eighteenth Amendment. While the Republican National Convention was in session, Mr. Harvey Firestone, a life-long friend of Henry Ford and Thomas Edison, two avowed prohibitionists, advocated repeal of the Eighteenth Amendment.

ANTI-PROHIBITION SOCIETIES

The Association Against the Prohibition Amendment, founded in 1918 and incorporated December 31, 1920, was the first organization to espouse repeal. Its fundamental purpose is briefly stated in the following resolution:

Resolved, that the Association Against the Prohibition Amendment demands redress of these wrongs through restoration to the several States of the right of their peoples to enact such liquor laws as they may respectively choose, the abolition of the old-time saloon having paved the way for sound and enlightened legislation by them for the control, or, if they wish, for the prohibition of the liquor trade, provided that such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; and be it therefore further

Resolved, that the Eighteenth Amendment must be Repealed.

The Association is supported entirely by voluntary contributions. It was reorganized in 1928. Captain William H. Stayton, who founded the Association in 1918, was made chairman of the board; Pierre S. du Pont became chairman of the executive committee; Henry H. Curran, president, and Charles H. Sabin, treasurer. The Association accepts no contributions from brewers, distillers, or others who might have a commercial interest in the repeal of the Eighteenth Amendment. It has 530,000 members and 401 national directors, and is organized in 28 states.

The work of the Association falls under three main headings—research, information service, and political work. Its research work embraces the study of the practical results of prohibition in the United States as well as studies of systems of liquor control in foreign countries. The Association has published eighteen research pamphlets. Through its information service the

Association has distributed over 1,250,000 research pamphlets. Statements issued by the Association in 1931 were published in 246,387,319 copies of newspapers, computed by totaling the average daily circulation of papers in which they appeared. Politically, the Association is continually working for the "election of Senators and Representatives who will vote to submit the question of repeal of the Eighteenth Amendment to a vote of the people in each state." The Association has also taken an effective part in referendums and other tests of national prohibition.

The Moderation League, incorporated in 1923, feeling that absolute repeal was then unattainable, favored modification of the Volstead Act as a practicable compromise. It now favors outright repeal. The total membership is only about three hundred, but it includes such men as Dr. William H. Welch of Johns Hopkins University, Elihu Root, Austen G. Fox, and Henry S. Pritchett, President of the Carnegie Foundation for Advancement of Teaching. The League takes no active part in political work. It has made a number of studies on legal aspects of prohibition and has collected statistics on arrests for drunkenness from nearly six hundred towns and cities.

Mrs. Charles H. Sabin, a member of the Republican National Committee in the campaign of 1928, organized the Women's Organization for National Prohibition Reform in 1929. At its first annual meeting, in 1930, this organization had only 100,000 members; but by 1932 the membership exceeded 1,000,000. It is now organized in 42 states. According to a recent report, "about 37 per cent (of the members) are housewives, 19 per cent office and clerical workers, 15 per cent business and professional women, 1 per cent artists, authors and actresses, and 15

per cent factory and industrial workers." The national and state officers of the association include a large number of public-spirited women who have been active in social welfare and political work. The Women's Organization for National Prohibition Reform is working for the outright repeal of the Eighteenth Amendment and the return to the states of the power to deal with the liquor traffic. The association holds an annual convention, and throughout the year conducts a number of public meetings in various parts of the country.

The Voluntary Committee of Lawyers was organized in January 1929. The Committee now has a membership of over four thousand, which includes some of the most distinguished lawyers in the United States: Joseph H. Choate, Jr., Henry W. de Forest, Henry Alan Johnston, Severo Mallet-Prevost, John M. Cameron, John G. Agar, George Gordon Battle, Francis H. Bohlen, Frederic R. Coudert, W. W. Grant, Jr., W. W. Montgomery, Jr., Charles S. Rackemann, Ralph M. Shaw, and many others. The Committee does not engage in politics. Its chief purpose is to organize the legal profession in opposition to the Eighteenth Amendment. The Committee has issued a number of excellent statements dealing with the legal aspects of the prohibition problem. It has been largely instrumental in getting bar associations throughout the country to pass resolutions calling for the repeal of the Eighteenth Amendment. By April first of this year, twenty-six bar associations had gone on record favoring repeal of the Eighteenth Amendment.

In the Spring of 1930 Mr. Fred B. Clark of Cleveland organized The Crusaders to work for repeal of the Eighteenth Amendment. The founders of this organization were young men and they set about enlisting young

men in the cause of repeal of the Eighteenth Amendment.

There are at least a score of other organizations which are opposed to national prohibition and are working either for repeal of the Eighteenth Amendment or for modification of the Volstead Act to permit the sale of beer. Little is known concerning the actual workings of many of these organizations, for they make no annual reports and publish practically no literature.

POLITICAL ACTION

Political action on any such issue as national prohibition usually lags far behind the shifts in public sentiment. Political opposition to national prohibition did not make much progress before 1928. Now, prohibition is a major political issue. As late as 1928 neither the Republican nor the Democratic Party had adopted a plank calling for repeal of the Eighteenth Amendment. In 1930, twenty-one state platforms in fourteen states demanded repeal of the Eighteenth Amendment. A repeal plank was adopted by the Democratic Party in fourteen states and by the Republican Party in seven states.

Complete information of action by state committees and conventions in 1932 is not available as this goes to press. Before the National Conventions assembled, however, it appears that twenty-five state conventions or state committees had adopted planks or resolutions calling for repeal or submission of the Eighteenth Amendment to the people. In many cases the delegates to the National Convention were specifically instructed to work for a plank calling for outright repeal of the Eighteenth Amendment.

No mention was made of prohibition in national party platforms until 1924. In that year the Republican Party was practically silent on the question except that it pledged "devotion to the Con-

stitution and to the guaranties of civil, political, and religious liberty therein contained." No mention was made of prohibition or the Eighteenth Amendment. In that year the Democratic Party adopted the following plank:

The Republican administration has failed to enforce the prohibition law, is guilty of trafficking in liquor permits, and has become the protector of violators of this law.

The Democratic Party pledges itself to respect and enforce the Constitution and all laws.

In 1928 the Republican Party platform, after quoting George Washington on our duty to enforce the Constitution, said:

The people, through the method provided by the Constitution, have written the Eighteenth Amendment into the Constitution. The Republican Party pledges itself and its nominees to the observance and vigorous enforcement of this provision of the Constitution.

The Democratic Party adopted a plank in that year criticizing the Republican administration for failure to enforce "a provision of the Federal Constitution," and pledged the Democratic Party "to an honest effort to enforce the Eighteenth Amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto."

In the Republican National Convention of 1932, prohibition was unquestionably the dominant issue. After a struggle which threatened to split the convention and after a stormy debate on the floor of the convention, the plank proposed by the majority of the resolutions committee was adopted. The prohibition plank finally adopted contains over five hundred words. Stripped of all verbiage and equivocation, the plank apparently means that the Republican Party favors the submission of a proposal to revise the Eighteenth Amendment in such a way

as to "allow states to deal with the problem as their citizens may determine, but subject always to the power of the Federal Government to protect those states where prohibition may exist and safeguard our citizens everywhere from the return of the saloon and attendant abuses." Bitter opposition to the plank developed over the expression, "We do not favor a submission limited to the issue of retention or repeal," and over the equivocal stand on the question of a "substitute" for prohibition.

The minority plank, which favored outright repeal of the Eighteenth Amendment, was defeated by a vote of 681 to 472. It has been claimed by Dr. Butler, Senator Borah, and others that if the vote of delegates from Southern States, which do not really represent the Republican electorate, and office-holding delegates in other states, who were pledged to support the majority plank, had been eliminated, the minority plank would actually have received a majority of votes. If we deduct the delegates from ten Southern States (184 votes), only 497 would have been opposed to the majority plank, which would have given those favoring the majority plank a majority of only 25. If we discount the vote of office-holding delegates pledged to the administration plank in other states, the minority plank probably had the support of the convention.

At this writing, the Democratic Convention is still in session and the platform has not yet been adopted. It is likely, however, that a plank will be adopted calling for the submission of the Eighteenth Amendment to state conventions. It is conceded also that the Democratic plank will be "wetter" than the Republican plank.⁶

⁶ At the Chicago convention on June 29 the Democratic Party adopted the following plank: "We favor the repeal of the Eighteenth Amend-

CLARIFICATION OF THE ISSUE

We are now rapidly approaching the point, if indeed we have not already reached it, where most people realize that the only solution of the problem of national prohibition is the outright repeal of the Eighteenth Amendment and the return to the states of the power which is rightfully theirs to deal with the liquor problem within their own borders. Until quite recently much of the opposition to national prohibition took the form of various proposals for modification of the Volstead Act or for nullification of the Eighteenth Amendment, since its repeal seemed practically impossible.

The *Literary Digest* poll and other straw votes certainly show that modification has less support now than it had ten years ago. In the present Congress the Beck-Linthicum resolution, which proposed a radical revision of the Eighteenth Amendment, actually received more votes than the bill to legalize "4 per cent beer." In the stormy discussion of prohibition planks in the Republican National Convention the proposition of modification was practically ignored by both wet and dry partisans.

ment. To effect such repeal, we demand that the Congress immediately propose a Constitutional Amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon and bring the liquor traffic into the open under complete supervision and control by the States. We demand that the Federal Government exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws. Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue."—EDITOR'S NOTE.

REVISION VERSUS REPEAL

Those who are opposed to outright repeal of the Eighteenth Amendment maintain that the policy of national prohibition should not be abandoned without offering in its place some revision of the Eighteenth Amendment which will guarantee the exclusion of the saloon throughout the United States. Others believe that this is a matter which can safely and properly be left to state action. Walter Lippmann⁷ has forcefully presented this point of view in advocating outright repeal. He says:

It is fair to say that repeal is a "constructive alternative" to the situation which now prevails. Not only would it leave intact all the constitutional and statutory prohibition in the states, not only would it leave intact the Federal power to protect dry states, but it would revive all the temperance legislation which the Eighteenth Amendment has suppressed, and would for the first time in over ten years empower the people of the thickly settled regions to protect themselves against the most gigantic industry ever known in the underworld.

⁷ *New York Herald Tribune*, June 8, 1932.

RATIFICATION BY CONVENTIONS

Those who are opposed to the Eighteenth Amendment and favor either its radical revision or its complete repeal are practically unanimous in agreeing that the proposed amendment should be submitted for ratification to popular state conventions, not to state legislatures. Under the Constitution, either of these two methods of ratification is permitted. The chief arguments for submitting the proposed amendment to popular state conventions are: (1) urban sections, where repeal sentiment is strongest, are inadequately represented in most state legislatures; (2) delegates to state conventions would be elected solely on the question of repeal or retention of the Eighteenth Amendment. This method of ratification therefore is the nearest approach to a popular referendum possible under the Constitution. The demand for submission to state conventions has now such general acceptance that in the two National Conventions held in 1932, there was practically no opposition to this form of submission.

Alternatives to Prohibition

By GEORGE E. G. CATLIN

THE first duty of every citizen is to obey law as law. The inexpediency of particular laws is subordinate to the importance of maintaining the social authority which is expressed through law as such. The doctrine of nullification is one of anarchy, tending to the denial of the principle of majority government, and indeed of all government of which the minority disapproves. This anarchy is mere criminality, whether or not adopted by otherwise reputable citizens, unless it is sustained by principle.

Two grounds of principle present themselves: the one, that the law violates what is more valuable to the citizen than the principle of civil authority itself—an argument which can scarcely be seriously adduced in the case of the consumption of alcoholic beverages—and the other, that rash or disingenuous legislators, who pass laws not effectively commanding the assent of public opinion, are only to be checked in practice by noncompliance. The check here to the abuse of authority may be alleged to be applied in the interest of authority itself. Society, it may be argued, is founded upon implied contract, and the expectation of obedience on the part of the lawgiver is balanced by the expectation of the citizen that the power of law will be used in a fashion consistent with the fundamental laws of human nature, as well as consistent with solid social well-being and with common sense.

MORAL LEGISLATION

In the category of moral legislation are to be included censorship legisla-

tion, laws governing sexual relations and morals, narcotic legislation, liquor legislation, direction in the content of public education, and the like. It is notorious that this legislation, in which the sufferer is usually either the offender himself or his accomplice or the public at large, is more difficult to enforce than legislation where the victims are specific aggrieved persons, such as is the case in instances of theft and fraud. Men do not normally give evidence against their bootleggers, drug peddlers or kept mistresses, or the publishers and printers of books which the purchasers affirm give them pleasure.

It is contrary to common sense to enact moral legislation without being assured of the aid of a determined public opinion, since law of this nature cannot rely upon the assistance of the directly interested parties. It follows, as a practical matter, that moral legislation is essentially a matter for local areas of homogeneous public opinion.

If this statement is sound, there is a strong case for the Democratic contention that liquor control is essentially a matter for the exercise of the authority of the States. Previous experience demonstrates the necessity for the regulation of interstate commerce in liquor by Federal law consonant with the general principle of constitutional law that it is the duty of a federal authority to sustain, by all appropriate means, the authority of the law of the component states of the federation. The actual system of control adopted, however, within state boundaries should be one locally approved and adapted to local conditions.

IS COERCION JUSTIFIED?

Moreover, it is not consonant with solid social welfare to enforce by coercive legislation what is contrary to the opinion and the natural impulses of large bodies of citizens, if the same end can be attained as well or better by other means. If the end be the establishment of an ideal, whether of temperance, chastity, or whatever it may be, coercive measures are, by the very nature of the case, inappropriate. The appropriate regulation is that of some voluntary society such as a religious organization, or the self-regulation of the individual conscience. It is disastrous to confuse the function of church and voluntary society with that of the compulsive state controlling a society heterogeneous in ideals. The majority of the citizen body may indeed have pronounced views on moral ideals. Public opinion is entitled to give expression to these views through social channels and even through legislation. If, however, this legislation is not to defeat its own ends, it cannot overstep the bounds of permissive enactment.

The attitude of society can be indicated by the facilities which it provides, or refrains from providing, for certain conduct. Thus, in Great Britain and Canada, it approves, or at least does not reprobate, the state management of the public house or of the dispensary respectively. No obligation is imposed upon those who do not approve of these facilities to use them.

Prohibition, on the other hand, offends against this standard. I shall not here discuss whether self-control in use or whether abstinence is the ideal. Personally, I emphatically hold the former to be the civilized ideal, and the latter, apart from the deliberate religious practice of asceticism, to be a

concession to human weakness in society which is something short of fully civilized, or to individual defects of physique. This question apart, the citizen would appear to be entitled of right to drink, provided that the exercise of this moral right of choice does not result in conduct deleterious to ascertained social welfare and of a kind which coercion alone is competent to check.

The end, however, in question in social legislation may be the maintenance of certain objective standards of conduct dictated by the public peace and convenience. Here, positive regulation and interference are defensible in order that the elementary tasks of the state may be performed, all questions of ultimate moral ideals apart. On this ground the state is entitled to take steps to prevent drunken and disorderly conduct, to check contagious disease, to safeguard the rights of all parties and especially of children, as its wards, so far as these rights demand safeguard, to regulate marriage and divorce, and so forth. The state is fully entitled to prevent other citizens from being disturbed by drunken conduct of an overtly disorderly nature—just as it is entitled to deal, e.g., with the disorderly conduct of persons frequenting burlesque shows. It is probably also entitled to take steps to prevent drunken disorder in the home, not only by granting adequate divorce facilities, but also in a fashion calculated to avoid the break-up of the home.

EXPEDIENTS FOR CHECKING
DRINKING

Experience seems to indicate that drunkenness is not to be prevented merely by imposing heavy penalties upon the drunkard. To do this is both to ignore the psychology of drinking and, incidentally, to impose a law

which in fact will be discriminatory against the poor man who drinks in public as compared with the rich man who drinks at home. It is necessary to place a check upon drinking, on the one hand sufficiently lenient to be consistent with public opinion and susceptible of competent enforcement by the police without drawback to their more important duties, and, on the other hand, sufficiently vigorous to remove the drinking of intoxicants from the list of significant threats to social order.

The expedients actually adopted must, as already said, depend upon the opinion of the locality. Three scientific principles, however, deserve immediate recognition. Intoxicants should be treated differentially in all sound legislation, according to their alcoholic content; the danger of consumption varies according to time and place (whether it is continuous, whether it is with a meal, and so forth) and this distinction should be recognized in law; and the motive for drinking conforms to certain recognized but very different types, which require different legal and social treatment. The law is especially concerned with the drinker of the stronger liquors or the "drinker in bulk" who "soaks" continuously and who drinks from psychological reasons which may be of a permanent character resistant to any cure merely by repressive legislation.

One of the most obvious—and successful—expedients for reducing dangerous drinking is that of high taxation of the stronger liquors. It has, however, the disadvantage that it promotes bootlegging and smuggling, which it is a major object of liquor control to eliminate, and that it is open to the charge of being class legislation. A better alternative or supplementary course would appear to be the compulsory dilution of the stronger liquors, in which case the commercial interest of

the manufacturer is on the side of the law.

EFFECTS OF FREE TRADE IN LIQUOR

Subject to these two reservations of taxation and dilution, and probably also to a veto on all advertising, certain persons, in reaction against the paternalism of prohibition, have advocated entire free trade in liquor, which they contend should be obtainable as an ordinary commodity like groceries. It is urged that this course alone will remove the liquor interest from politics, which it has corrupted whether under prohibition or in the days of the licensed saloon.

The conclusion appears to be optimistic. The manufacturers of liquor, even under a free trade system, would remain a great interest with a political lobby; such advantages as flow from prohibition would be abandoned; there would be intensive competition between retailers, with profit-making as the sole guide of conduct; this competition would nullify the manufacturer's motive in favoring dilution, while absence of all control would encourage the bootlegger of highly taxed liquor; finally, all experience of the free trade experiment shows that drinking increases under it. Moreover, either this so-called "free trade" would be restrictive by being coupled with provisions prohibiting the natural impulse to public drinking in hotels, clubs, and such places, so that liquor would be driven into the home, or, in effect, the saloon would be restored under less control than before. I am, however, prepared to agree to the theoretical proposition that, if men were what they ought to be, drinking in clubs would be perhaps the most desirable kind of drinking. Actually, however, it lends itself to grave abuse.

The Canadian system as operated in

Ontario forbids public drinking, for example in a hotel restaurant, but permits the drinking of hard liquor privately, for example in a hotel bedroom. This connivance at unsupervised private vice, with its timorous concession to a public opinion which objects to seeing the bad example of drinking in the open, appears to me thoroughly undesirable. It is Puritanism in decadence. Moreover, one of the gravest causes of drinking is psychological depression, which may be checked by society, but will only be enhanced by the habit of alcoholic indulgence in solitude. Social drinking is probably, of all kinds, that least likely to be dangerous to health.

Nor am I impressed by the Swedish system, which has been changed considerably from the original design of Dr. Bratt. While more pretentious and elaborate than the British method, it appears, so far as it is possible to compare the experience of one nation with that of another, to accomplish less than the British method.¹ Moreover, the powers granted to the City Temperance Boards to order the compulsory examination of inebriates are wide and tyrannical. The system, however, of public control of manufacture and wholesale and retail sale appears sound, and the method of personal license may incommode the drunkard and may establish a check on recidivism.

FORMS OF CONTROL

Three propositions appear to be possible bases for constructive legislation. Of these, the first is that the liquor trade must not be run for private profit, that is, in accordance with the principle of maximum sales. The second is that no system which does not include the controlled but legiti-

mate sale of spirits can succeed, or can advance the solution of the bootlegging problem, in countries increasingly habituated under prohibition to hard liquor. The third is that if drinking of alcoholic beverages is to be permitted at all, it should be permitted in public (even if, on grounds of police supervision, we do not actually regard this type of drinking as preferable).

It does not follow from the first of these assertions that the control of liquor traffic must be by state ownership. The statement of Lord d'Abernon appears to be well grounded, that the case against the government's becoming directly involved in so important and controversial a commercial business is too strong for rebuttal. Such direct management would not be in accord with the most recent and approved methods by which governments take effective control of key businesses; and even if the government is to manage the concern, there would still seem to be a strong case for a façade interposed between the government and the consumer. This at least would seem to be the lesson of Norwegian experience.

As a matter of social theory, a reasonable amount of variety and comparative experiment in forms of control is actively desirable.

Generally speaking, however, the most desirable course would appear to be the establishment of chartered companies, limited as to dividend paid, which would have a monopoly control of liquor within their areas. These should be subject to a governmental board which would concern itself with the allocation to public purposes, including temperance purposes, of surplus profits; exercise a supervision over the chartered companies; if necessary, recommend revision of charters; and hear complaints and recommendations from local au-

¹ Catlin, George E. G., *Liquor Control*, Holt, p. 231.

thorities and, where existent, licensing justices. Apart from these restrictions the companies would operate as ordinary business concerns, save that their directors would be disinterested citizens of public spirit, appointed by the board of control. South Carolina's experience indicates that it would be essential for the companies, individually or by arrangement with each other, under the board of control, to have a local monopoly of both the wholesale and the retail business in their respective areas. Despite my objection to tyrannical prohibition, as a perversion of the very specific functions of civil government, I see no objection to local option in small areas, and the board of control should, I suggest, be empowered to enable this option to be exercised.

MANNER OF SALE

Placing this general proposal in the context of the American social scheme, the first question which arises is whether it spells the return of the saloon. There seems to be no ground in principle against this return under conditions which would assure decent surroundings, any more than there is ground in principle for prohibition by law. Each country has, however, its own specific tradition which demands respect. A local sentiment against the return of the saloon must be respected by the indirect agents of the state, such as state-chartered companies. As I have said, the public is entitled, without commanding or prohibiting, to express its attitude on moral ideals by its provision or non-provision of facilities. A monopoly company, indeed, is not entitled to turn non-provision into effective prohibition of the public sale of alcoholic drinks. Such public sale could, however, well be limited to dispensaries (or also to restaurants when providing

meals of equal value to the liquor drunk) until it became clear whether public opinion demanded further facilities of an unobjectionable nature. If public opinion is on the whole content without even an improved saloon or licensed restaurant (and home-drinking does not seriously increase), no great harm will be done if these facilities, even under the best conditions, are not thrust upon the public.

At present I see no wise method of relieving a minority which feels aggrieved under state-wide prohibition, although I believe it to be theoretically unsound. On the contrary, it appears proper for the Federal Government to collaborate with the State government as touching interstate commerce, although only on the broad ground of upholding state law, and not on any specific ground of public morals.

Whether the system adopted be one of company dispensaries for off-consumption, company taverns for on-consumption, or licensed restaurants run by the company directly or by concession to caterers, *it is necessary that spirits be compulsorily diluted, discriminatorily taxed, and available only during certain hours; but they must be available.* I do not deny that much of the present lawlessness has little to do with prohibition; is due to the economic and social friction between "up-town" and "down-town," following the great prosperity; and will not be removed by the repeal of prohibition. At the same time, the strongest argument in favor of change of the present law is the need so to reduce bootlegging as to bring the situation within the limits of possible police control and to reduce the financial resources of the criminal class. This will not be done so long as spirits remain prohibited, while all relaxation in the direction of legalization of sale of other alcoholic drinks will merely

increase the practical difficulties of enforcement. It will be done when the bootleggers' market is reduced to a few hardened "soaks" who are prepared to defy the law in order to obtain liquor when they want it and as strong as they want it, despite lack of reliability and high price.

Specifically, I recommend the sale of spirits compulsorily diluted to 40 u. p. (i.e., about 70 per cent of water) or even 50 u. p.² I do not consider that, with a properly supervised sale (and possibly with the introduction of the system of sale only to those holding a personal license), this use of spirits would be likely to lead to any social problem of intoxication such as that against which the Eighteenth Amendment is directed.

FEDERAL AND STATE RESPONSIBILITY

I see no reason for the repeal of the Eighteenth Amendment. Apart from the political desirability of "saving the face" of the Drys, it does not appear that such repeal is desirable, since the Amendment affirms a principle, comparable to those in the Bill of Rights, to which there should be general assent. Certainly no respectable citizen desires the sale of intoxicating liquors *qua* intoxicating. Many people, however, are able to use alcoholic drinks without approaching intoxication. As a matter of common sense they demand that the law shall be so drafted, when dealing with the social problem of intoxication, as to keep this fact to the fore.

What does seem to be necessary is to repeal the Volstead Act and to enable the States to resume their powers of legislating independently, subject to the principle affirmed in the Eighteenth Amendment and to a statutory declaration, following the

lines of the Wilson and Webb-Kenyon Acts and (more questionably) the Reed amendment (March 1917) enabling the Federal Government to sustain the intentions of the state law by an appropriate and vigorous regulation of interstate commerce.

So far as the States are concerned, the proposal already made is that where prohibition is not maintained and subject to local option, local chartered companies be set up covering suitable commercial areas and subject to a State board of control. This procedure would apparently be possible by one of two methods. The first method would be to pass a state law setting up such local board of control and such chartered companies. Thus the States would directly assume that responsibility for regulation which would necessarily have to be undertaken (unless the new situation is to be far worse than the old) on the repeal of the Volstead Act.

DEGREE OF ALCOHOLIC CONTENT

The Supreme Court of the United States has already held that whether one half of one per cent or more or less constitutes the boundary line between an intoxicating (i.e., as the etymology implies, "poisoning") and a non-intoxicating liquor is not a matter for the courts to decide. Unless a chaos as serious as nullification is to ensue, some form of liquor regulation would patently be in the public interest after the suggested repeal of the Volstead Act. The Court would be left with the choice of authorizing State action or of forcing the whole issue back upon the country by compelling the ratification of the repeal of the Volstead Act by the modification of the Eighteenth Amendment. It seems entirely possible that it might persist along the line of precedent. It could, then, take the attitude that what degree of alcoholic content in a

² Cf. *op. cit.*, p. 148.

liquor sets up, as a matter of fact, such a problem of public intoxication that the law should appropriately take cognizance of it, is entirely a matter for the legislature or the administration.

I suggest that over 30 per cent of alcoholic content would be a suitable prohibitory limit for a legislature to set. Beyond that limit a reasonable man can only be understood to use an alcoholic beverage for purposes of intoxication and not of innocuously pleasurable consumption. To enforce prohibition above that limit is in no wise impracticable or a strain upon the agencies of the law.

In the alternative, *either the Eighteenth Amendment should be repealed or an amendment should be proposed to the existing Eighteenth Amendment, or a Twenty-first Amendment introduced, declaring that "it shall be in the power of the states severally to enact what alcoholic content shall be deemed to distinguish a liquor as one used for purposes of intoxication and to the public detriment, and to prohibit, regulate, or manage in all particulars the manufacture and sale of alcoholic beverages other than those that shall already have been declared by such enactment to be intoxicant."* If the method of Constitutional amendment is adopted, it appears to be highly desirable that the American people shall have placed before them not only negative proposals of repeal but a constructive proposal giving a general indication of the course which liquor legislation may be expected to pursue.

There seems to be a case for adopting

the first method of state legislative procedure of an enabling nature and of awaiting challenge in the Supreme Court rather than of immediately resorting to amendment of the Federal Constitution. In the first case the attention of the country would be called to a concrete and detailed plan; in the latter case the electorate or legislators would have to vote either on full repeal or on the not very constructive proposal that enabling power should be given under which a future scheme might be set up by the various states. If the legislative-judicial method failed, owing to an adverse decision of the Supreme Court, recourse could then be had to the amending process with confidence that the country was aware of what scheme of control would probably replace, in most localities, the present system.

It should be added that the amendment as drafted above makes it mandatory upon states wishing to "regulate or manage," to declare a limit above which an alcoholic beverage becomes an intoxicant. Such a limit might conceivably be challenged as a matter of law and fact in the courts of appeal of the respective states where constitutional safeguards on liquor legislation were established by states.

Change along the lines above indicated would appear to be most consistent with practicability, national tradition, general experience in the control of the liquor trade, and the general principles of jurisprudence and state action.

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Control of the Liquor Traffic in Canada

By L. W. MOFFIT

HISTORICAL SKETCH

THERE are three well-marked stages in the development of Canadian efforts to control the sale of intoxicating liquors. Prior to 1864 there was no legislative restriction except for the collection of revenue. The first stage, from 1864 to 1916-19, consisted in the steady extension of local prohibition of retail sale in municipalities and counties. The latter part of this period, from 1890, was also marked by unsuccessful agitation for prohibition on a provincial scale. The second stage, beginning in 1916, saw a trial of complete provincial prohibition in every province except Quebec, where spirits only were prohibited. The third stage, commencing in 1921, consists in the experiment in government control and sale under commissions or control boards. Between 1921 and 1930, eight of the nine provinces adopted this system, Prince Edward Island remaining persistently true to her adoption of virtual prohibition through the "Scott Act" nearly thirty years ago.

The Dunkin Act, passed in the United Province of Canada (now Ontario and Quebec) in 1864, enabled any county or municipality, by a majority vote, to prohibit the retail sale of liquor within its borders. In 1878 the Dominion Government replaced this statute with a general law, the Canada Temperance Act (popularly known as the Scott Act), which provided for a vote in any city or county on petition of 25 per cent of the electors, and for an interval of at least three years between votes in any county. Under this statute, local option spread steadily over the Maritime Provinces,

Prince Edward Island being completely dry and Nova Scotia nearly so, early in the present century. In the other provinces, especially Ontario and Quebec, where the provincial-rights struggle was sharper, the Scott Act was never very popular, and local option developed under Provincial Statutes. In the twenty years prior to 1914, the adoption of local option by the rural sections and the smaller municipalities proceeded so rapidly that in the rural parts of Ontario and Quebec, and to a lesser extent in the West, the licensed hotels (Canada never had a saloon system) practically disappeared, thus confining the retail sale of liquor largely to the cities and the bigger towns.

Concurrently, a steady pressure was maintained by the temperance forces to secure provincial prohibition. Between 1892 and 1902, plebiscites were taken as in Table I.¹

In addition, the Legislature of New Brunswick, in 1893, adopted a resolution favoring prohibition. A nationwide plebiscite on Dominion Prohibition in 1898 showed 278,380 for and 264,693 against, Quebec being the strongest supporter of the anti-prohibition side. Curiously enough, although the majority ranged from 63 per cent to 78 per cent, apart from the adverse vote in Manitoba in 1902, the vote was in no case considered decisive enough to warrant the enactment of a prohibitory law. In part at least, the explanation lies in the reluctance of provincial governments to face the difficulties of enforcement when the Dominion alone could control the

¹ *The Liquor Traffic in Canada*, Report, Ottawa: Dominion Bureau of Statistics, 1929.

TABLE I

Province	Date	For Prohibition	Against Prohibition	Percentage for Prohibition
Manitoba.....	1892	19,637	7,115	73
Prince Edward Island.....	1893	10,616	3,390	75
Ontario.....	1894	192,489	110,720	63
Nova Scotia.....	1894	43,756	12,355	78
Manitoba.....	1902	15,607	22,464	41
Ontario.....	1902	199,749	104,539	65

manufacture and interprovincial trade.

But during the war, patriotic enthusiasm secured what ballot majorities had been unable to achieve. During 1916-17, seven of the eight provinces under the license system prohibited the sale of alcoholic liquors for beverage purposes. In 1919 Quebec prohibited the sale of spirituous liquors, and as already noted, Prince Edward Island had been under prohibition since the beginning of the century. The Dominion Government coöperated by prohibiting the importation of liquor into provinces which had prohibited its sale. In 1919 this was relaxed to make a vote in its favor necessary before the provision would come into effect.

These provincial acts had been passed on the understanding that when the war was ended and the troops demobilized, opportunity would be given for an expression of popular opinion. The question of a return to the old system of licensed bars was not proposed in any province, but plebiscites were taken to determine the continuance of prohibition or the establishment of some kind of government sale and control. In the first votes, in 1920-21, Quebec and British Columbia alone adopted government control, the others sustaining prohibition by large majorities. In 1923

Manitoba adopted government control, and the following year Alberta and Saskatchewan did likewise, all by popular vote. In Ontario, following an election fought on the issue, government sale was established in 1927. New Brunswick adopted the system in 1927, and Nova Scotia in 1930. Thus, in less than fifteen years, eight of the nine provinces abandoned the license system, adopted prohibition, and abandoned that in favor of control by direct government sale.

ANALYSIS OF GOVERNMENT CONTROL METHODS

Commissions or boards of control—

All the "control" provinces appointed control boards or commissions of from one to five members. In practice there are three—one full-time man, the chairman, and two devoting part time to the work. In Saskatchewan and British Columbia the Commissions are responsible directly to the legislature. In Quebec the Commission is a corporation acting under corporate seal, and reports to the Provincial Treasurer. In the other provinces the Commission is responsible to the Executive, and its activities are usually connected with the Attorney-General's department.

While there are differences of detail, the functions and duties of the com-

missions are generally as follows: (1) to import, buy, and sell alcoholic liquors, and for this purpose to establish and manage liquor stores, and so forth; (2) to control the possession, the sale, the transport, and the delivery of liquor within the province, and for this purpose to issue permits and licenses, make regulations, maintain inspection staffs, and assist the police; and (3) enforcement of the Act. The degree of responsibility for enforcement varies. In Quebec the enforcement of the Act is definitely assigned to the Commission. In Nova Scotia and Manitoba, definite contributions are earmarked to be paid towards the cost of enforcement. In all, the inspection staffs coöperate with the police and the courts.

The powers of the boards are mainly permissive in character, and within the limits of the Acts creating them, "could scarcely be less circumscribed." "In short, the Commission is the directorate of a large business concern combining with ordinary trading activities such administrative duties as the statutes impose."² All the provinces have chosen their commissioners, especially the chairmen, from amongst men who were so prominent as to command the confidence of the provinces in their capacity and integrity. In Ontario, e.g., Sir Henry Drayton, a former Minister of Railways in the Dominion, was until recently the Chief Commissioner. In Manitoba, the first Chief Commissioner was Mr. R. D. Waugh, for some years a League of Nations Commissioner in the administration of the Saar Region.

Methods of sale—

The method common to all commissions is the establishment of retail

liquor stores in which all kinds of liquors are sold in sealed packages only. In Saskatchewan some government stores sell beer only. Spirituous liquors are everywhere sold only in commission stores in sealed packages. In New Brunswick, Ontario, and Saskatchewan, sale of beer and wine is also confined to sealed packages, although direct sale of native wine from the wineries to permit holders is permitted in Ontario, and direct delivery of beer from breweries is permitted on orders passing through the commission stores, in both Ontario and New Brunswick.

In the five other provinces, however, provision is made for the retail sale of beer or beer and wine by the glass or opened bottle. In Nova Scotia, licensed hotels may sell by the glass with meals, and the Commission may establish beer parlors apart from the regular stores. Quebec is the one province which never prohibited beer and wine, and, as we should expect, the sale of those beverages is generously provided for. They may be sold in licensed hotels and restaurants with meals, in licensed taverns and clubs, on steamboats and dining cars, and by special permission at banquets. In addition, beer may be sold in bottles in licensed groceries. Such retailers may purchase direct from brewers, as well as from the Commission. In Manitoba, Alberta, and British Columbia, beer may be sold by the glass in hotel beer parlors, clubs, and military canteens. Only purely social or fraternal clubs can secure a license, and care is taken that only bona fide, long-established organizations secure licenses.³ All places selling by the glass are rigidly supervised, licenses of both proprietor

² Hose, Reginald E., *Prohibition or Control?* Longmans, Green & Co., 1928, p. 7.

³ In Alberta, e.g., a club must have been in existence in recognized premises for three years and must have had an application on file for a year prior to securing a license.

total revenue from the liquor traffic in that year amounted to approximately one seventh of the total revenue receipts, both in the case of the provinces and of the Dominion. There may be different opinions about the importance of this fact, but it is evident that it will bulk large whenever a change of system may be proposed. Formerly intrenched in vested private interests, the traffic is rapidly becoming intrenched in the problem of public revenue.

Consumption—

Prior to 1922 the Dominion returns of spirits entered for consumption included non-potable as well as potable spirits, so that an analysis should start with that year, when 2,040,514 gallons of proof spirits were consumed. The low point of 1,599,654 gallons was reached in 1925, after which the amount steadily rose to 3,130,119 gallons in 1929. In 1922 the consumption of malt liquors stood at its lowest point, 35,422,481 gallons being consumed. With slight fluctuations it rose to 61,868,349 gallons in 1929. The consumption of wines also was at its lowest point in 1922, with 803,027 gallons, and rose steadily to a high of 5,450,642 gallons in 1929.⁷ This very great increase in the consumption of wines as compared with that of spirits and malt liquors is due partly to the encouragement given by the commissions to the use of wines and beer instead of spirits, and partly to the endeavor of the Dominion and Ontario Governments to foster a native wine industry.

True per capita figures are difficult to ascertain, since population figures in intercensal years are necessarily estimates, and also because per capita figures should take account of age

groups, which is obviously impossible, although variations in age groups might throw some light on variations in consumption. But the following facts, taken from a report on the liquor traffic in 1929,⁸ with which the present writer had something to do, at least show the trend of development. Consumption of spirits stood at its lowest point, .203 gallons per capita, in 1923, and had risen to .425 gallons by 1928. The consumption of malt liquors rose from 4.048 gallons per capita in 1921, the lowest year, to 6.07 gallons in 1928. Consumption of wines was at its lowest point in 1919, with .152 gallons per capita, and had risen to .679 gallons in 1928. There is thus an increase of 108 per cent in the apparent per capita consumption of spirits in five years; a 50 per cent increase in the per capita consumption of malt liquors in seven years; and a 346 per cent increase in consumption of wines in nine years.

Drunkenness and law enforcement—

Convictions for drunkenness are an unreliable ground for judgment as to the comparative amount of drunkenness under different systems. The public nature of the drinking under the saloon or license system as contrasted with the residence drinking under the control system; the fact that under prohibition if a man is under the influence of liquor, infraction of the law is assumed, which causes arrests for a degree of inebriation that would not be recognized by the law officers under either license or control—these are factors making convictions for drunkenness an unreliable basis for judgment. With these qualifications, we may examine the figures.⁹

Convictions for drunkenness reached a high point of 60,000 in 1913 and 1914, at the close of the great immigration

⁷ *The Control and Sale of Liquor in Canada*, Dominion Bureau of Statistics, 1930.

⁸ *The Liquor Traffic in Canada*, Report.

⁹ *Control and Sale of Liquor in Canada*.

period, when the age groups between 20 and 50 were heavily augmented. They fell to 21,000 in 1918, and rose to 39,000 in 1920 after the return of hundreds of thousands of men from the Army. By 1922 they had fallen to 25,000, and by 1929 had risen again to 38,800. Taking the provinces individually, it is difficult to discover any clear connection between the adoption of control and the convictions for drunkenness. Prince Edward Island, still under prohibition, has a greater increase than any other in proportion to population, but her greatest increase coincided with the adoption of control by her nearest neighbors, New Brunswick and Nova Scotia. Nova Scotia reached her highest figure in 1929, control being adopted, along with the depression, in 1930. Quebec shared in the high figures of 1920-21, which happened to coincide with the prohibition of spirits just before the adoption of control. Since that time, figures have fluctuated round a consistent figure.

Ontario, on the other hand, showed a distinct increase after the adoption of control in 1927. Manitoba reached her highest postwar level in the two years after the adoption of control, and practically maintained that figure until 1930, when it fell sharply to the 1921 level. Saskatchewan and Alberta show no clearly defined trend in either direction. British Columbia shows a steady and considerable increase (200 per cent) since the adoption of control in 1922. It will, then, be realized that too many factors enter into the variations in the convictions for drunkenness to base any clear opinion upon them. So far as the figures show a trend, they seem to follow the curve of economic prosperity rather than changes in the system of liquor sales.

Offenses against the various liquor acts show a steady increase from 8,519

in 1922 to 15,263 in 1928, or about 79 per cent; but the increase does not seem to have been distributed among the provinces with any reference to the presence or absence of the control system. Excise seizures, taken as indications of illicit manufacture, a matter under the control of the Dominion, reached their maximum in 1922 with 2,904 seizures, fell away sharply to 1,396 in 1925, and rose gradually to 1,682 for the last nine months of the calendar year 1931, or at the rate of 2,242 for the full year. It is of interest to note the sharp rise from 219 seizures in 1918 to 1,007 in 1919, and then to the peak of 2,904 in 1922. How much had the adoption of prohibition in the United States to do with this development?

General law infraction—

Convictions for indictable offenses stood at 15,720 in 1922, and by 1928 had reached 21,720—an increase of 38 per cent, or more than three times the increase in population. Some attempt is made to ascertain the use of liquor by convicted persons, and this return is made in more than half the cases. In the period 1922-28 the number returned as moderate drinkers increased at almost the same rate as the total convictions, but those returned as immoderate drinkers increased 64 per cent, or nearly twice as fast. This would seem to indicate that an increase in immoderate drinking, following the spread of control, was in part responsible for the increase in serious crimes. Convictions for driving a motor car while drunk increased from 202 in 1922 to 1,322 in 1928, or 554 per cent in six years. As the number of cars did not more than double in that time, it is fair to conclude that increased consumption of liquor was largely responsible for the increase in this offense.

Vital statistics—

These show that the number of deaths due to alcoholism has risen steadily from .12 per cent of the total in 1921 to .32 per cent of the total in 1928, in all the provinces except Quebec, where the form of vital statistics is not truly comparable with the other provinces until 1925.

MERITS AND DEMERITS OF THE
SYSTEM

Socially and economically, there is no doubt in most minds that if prohibition were as acceptable to the great body of the community as, say, the law against theft, it would be the ideal solution for the problem of alcoholic liquor. If that support and enforcement is not to be had, and some system of legal sale must be established, with the undoubted evils which liquor produces, then it becomes a question what system is the most conducive to a moderate use of a dangerous drug as a beverage. I shall endeavor in these closing paragraphs not to enter the highly controversial area of opinion, but to point out inevitable tendencies in the control system.

The great virtue of the system is that the idea of control replaces the idea of competitive commercial distribution. A monopoly of purchase and sale is exercised by the government, which sets out not to make a maximum profit, but to handle the sale by such methods and at such prices as will most reduce the inevitable evils of the traffic. Only such stores are established as are necessary to serve the needs of a given area; they have been managed, so far, so as to reduce the inducement to buy to as low a level as possible. No display of goods is permitted, and the stores have the aspect of a bank office rather than a retail store. Advertising is strictly limited or quite prohibited

in most of the provinces. Delivery vans carry little or no indication of the nature of their loads. Not only the physical organization of sales, but also the widespread use of permits to purchase, and the legal as well as discretionary limitations on the quantities which may be bought, tend to keep the amount consumed down to the level of habits of consumption unstimulated by profit-seeking vendors.

The old bar, with its inducements to overindulgence through the treating system, has disappeared. Drinking is largely removed to the homes, as it is prohibited in all public places except where beer licenses are permitted. On the credit side, it may be admitted, drinking tends to take a place in the normal social life of the individual, in homes rather than in public barrooms which exist for the sole purpose of drinking.

On the other hand, drinking in the home itself, and the social sanction implied in the sale on behalf of the community, tend to broaden the social area of the custom, to increase the likelihood of formation of the habit by the young people, and to increase the difficulties of education away from the practice. Consider, for example, the spectacle of the Manitoba government's selling millions of dollars' worth of liquors through one department, and engaging men under the education department to persuade youth of the dangers of indulging in those liquors! Should governments, through a change of ideals or through need for revenue, seek to extend instead of to control and limit the sales, the system might easily become much worse than the older method of licensed sale in private hands.

On the whole, it may be said that the period of control legislation has been too short for definite judgments as to the results of the system. But

some things may be noted. Thus far, the amount of public drunkenness has not been decreased. The proportion of deaths due to alcoholism has increased about two and a half times, and there has been a startling increase in driving while drunk. Infractions of liquor laws have tended to increase, and the number of seizures under the excise department indicates that illicit manufacture is by no means dead. If any improvement can be noted, it is

that while bootlegging is as prevalent as before, it is not quite so centralized in gangs, although quite recently an illicit still with a capacity of a thousand gallons per day was discovered and destroyed by the authorities near Winnipeg. On the other hand, it must be confessed that there is in no part of Canada any confident or aggressive movement for a return either to prohibition or to the old license system.

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The Drink Problem in Great Britain

By HENRY CARTER

CHANGES IN DRINKING HABITS

IS THE drink habit withering in Great Britain? The answer depends on what is meant by the drink habit.

If drunkenness is meant, the answer is "Yes." In postwar Britain, the statistics of police-court convictions and the results of daily observation both mark the fact that drunkenness has very substantially decreased. In 1913, police-court convictions for drunkenness in England and Wales numbered 188,877; in 1930 the figure had fallen to 53,080. Of course, police-court convictions represent only a fraction of the total sum of drunkenness, for a policeman seldom arrests an intoxicated person unless his intoxication is a menace to public order or safety. None the less, the record of the police courts can be accepted as an authentic index to the fact that public attitude and public habit have so far changed that drunkenness is now regarded as discreditable. The recent Royal Commission affirms that "excessive drinking in this country has been greatly, even spectacularly diminished."

If, however, the reference in our opening question is to the more moderate consumption of intoxicants, the answer is twofold. On the one hand, it is incontestable that during the business man's working day, the drinking habit is under the ban. Even at the midday mealtime, the use of alcohol for the most part is usually slight. Again, in the realm of athletics, modern youth sets fitness above indulgences, and the

tendency is to eschew alcohol. On the other hand, it is doubtful whether the use of intoxicants in leisure hours in social circles has diminished. The association of alcoholic drink with social intercourse undoubtedly holds its own in a very considerable section of British life. I think it is true that convivial drinking in the later and leisurable hours of the day and at the week-ends is the outstanding feature of the drink problem in Great Britain today.

The net national result of these tendencies is a very large decrease in the consumption of alcoholic beverages.

In view of the growth of population, per capita rather than national statistics are the safest guide to the extraordinary change which has taken place within a generation in the consumption of alcoholic beverages. Contrasting 1899 with 1929, the per capita figures are:¹

	1899 (gallons)	1929 (gallons)
Beer	32.53	16.42
Spirits	0.97	0.25
Wines	0.41	0.31

It will be seen that within the span of the last generation, from 1899 to 1929, the decrease in the consumption of intoxicants (when measured throughout the period by a uniform standard of alcoholic strength) has been, as re-

¹ For beer and wine, the figures for 1899 relate to the United Kingdom; the 1929 figures exclude the Irish Free State. For spirits, the figures for both 1899 and 1929 refer to England and Wales only.

gards beer, practically 50 per cent;² as regards spirits, 74 per cent; and as regards wine, 24 per cent.

A NEW NATIONAL SURVEY OF THE PROBLEM

Before proceeding further with a review of the contemporary drink situation, it is needful to refer to the recent British national survey of the problem. Following the General Election of 1929, and in fulfillment of a pre-election undertaking, the new Labour Government set up a Royal Commission

to enquire into the working of the laws relating to the supply and sale of intoxicating liquors, and into the social and economic aspects of the question, and to examine and report upon proposals that may be made for amending the law in England and Wales in the public interest.

Another Royal Commission, with rather more limited Terms of Reference, was appointed to report upon the Scottish situation. In the course of the two years following, evidence was taken by the two Commissions on every phase of the British liquor problem—scientific, economic, educational, legislative, and moral. The Reports of both Commissions were presented and published a few months ago. The present is, accordingly, a singularly opportune moment at which to survey

² The reckoning is in terms of standard barrels of beer. The "standard" barrel is a barrel of beer calculated, for taxation purposes, as being of a certain gravity (1055°). Beer as actually brewed in Great Britain is of considerably lower alcoholic strengths. While, therefore, the decrease in beer consumption between 1899 and 1929, estimated in standard barrels, was practically 50 per cent, the decrease in bulk barrelage (that is, of beer consumed at lower alcoholic strengths) was considerably less. In other words, measured in terms of alcoholic content, the per capita decrease in beer consumption within the thirty years was about one half; measured in terms of liquid consumed, the decrease was about one third.

the drink problem in Great Britain.

The writer served as a member of the English Royal Commission. Frequent reference will be made to the evidence taken, and to the findings and recommendations of that Commission, on succeeding pages.³

CAUSES OF THE DECREASE IN INSOBRIETY

It was obviously necessary for the Commission to ascertain the cause or causes of the remarkable decrease in insobriety indicated by the foregoing statistics. The testimony of numerous witnesses pointed to interrelated and converging causes which may be classified as educational, social, legislative, and industrial and economic.

Educational.—Under this head come specific and systematic instruction in schools, churches, and temperance organizations as to the properties of alcohol and the effect of alcoholic liquors on the consumer; and the progressive development of education in general, which has contributed to the widening of the significance of life and the multiplication of its interests.

Social.—"There has been a marked growth of counter-attractions to drinking which were not, generally speaking, available to the previous generation—such as kinemas, wireless, allotments and gardens on new estates, playing fields, travel facilities and so forth." Housing reform has also played an important part. Overcrowded dwellings conduce to public-house frequenting; conversely, the growth of garden suburbs creates interests rival to the liquor bar. Other contributory influences include the manifold movements to enhance child welfare, and the

³ Numerous verbatim citations from the Report of the Royal Commission on Licensing (England and Wales) are made on the following pages. Where no source for a quotation is indicated, it may be assumed that the sentence or sentences are cited from this Report.

steady advancement of the public health services.

Legislative.—The old-time assertion, "You cannot make people sober by Act of Parliament," no longer sways public thought. The outstanding evidence to the contrary is the admittedly advantageous result of the drastic diminution in legal hours for liquor sale and supply. The normal legal week-day hours are now nine in London and eight in the rest of the country. This contrasts with the almost unbelievable prewar figures of nineteen-and-a-half and seventeen respectively. The Government Liquor Control Board initiated the scheme of fewer hours during the war, and after a protracted struggle with the liquor interests the change was made permanent by the Licensing Act of 1921. The Report of the Commission asserts:

We have had strong evidence of the beneficial results which have followed from the cutting off of early morning drinking, particularly among industrial workers, the value of the afternoon break—particularly in checking the continuity of afternoon "soaking"—and the changed conditions which have been brought about by the abolition of the former late night hours.

No one seriously questions the fact that the increase in sobriety is also partly due to the heavy increase in the retail prices of intoxicants. An ordinary price for a pint of beer before the war was twopence. It is now 6d or 7d. A bottle of whisky which could be bought in prewar days for 3/6 or 4/—now costs 12/6. The higher prices are mainly due to the enormous increases in liquor taxation, a part of postwar fiscal policy. It is clear that the effect has been to make intoxicants less accessible to millions of purchasers.

The reduction of licenses by about twenty thousand in England and Wales in the last quarter of a century has undoubtedly influenced the situa-

tion in the same direction; although it should not be overlooked that this reduction has been partially offset by an increase of nearly seven thousand clubs registered within the same period for the supply of intoxicants.

Industrial and economic.—

The process of improvement has been substantially helped by various changes in the conditions and organization of industry which have developed in comparatively recent years. The increasing tendency to mechanization, for instance, has meant, generally speaking, an increased demand for qualities of concentration and nice judgment in the worker in all grades of industry and commerce, for which excessive drinking must unfit him; it has probably, too, by improving the conditions of work, reduced the nervous strain on the worker and so lessened the likelihood of what used to be known as "occupational" drinking.

Further, the general economic depression which has characterized the greater part of the postwar period must be taken into reckoning. A reduction in the spending power of the community is bound to mean on the part of very many individuals a lessened ability to buy drink.

It is clear also that one effect of widespread unemployment may be to send up the value of employment and to render the individual, be he manager or manual worker, more careful not to risk the loss of it by intemperance, should he be inclined that way.

FACTORS IN THE CONTEMPORARY DRINK PROBLEM

The Report of the English Royal Commission indicates, under various headings, four main factors in the contemporary drink problem: (1) drunkenness, greatly diminished in volume but still existent to a considerable extent; (2) the impairment of efficiency by more moderate consumption of alcoholic beverages; (3) the vast national expenditure on the purchase of intoxicants; and (4) the aggression of the

liquor trade in public affairs, in pursuit of its own interests.

DRUNKENNESS

The Report of the English Royal Commission recognizes the remarkable contrast in this respect between post-war Great Britain and the Great Britain of a generation ago:

A marked change in general social standards has come about, and this has been reflected in a very appreciable alteration in the public attitude towards drunkenness. Drunkenness has gone out of fashion, and a drunken person is not tolerated as he used to be.

So general is the improvement that drink trade witnesses before the Commission frequently affirmed that drunkenness had been reduced to a point at which it could no longer be regarded as an outstanding social evil. The Report, however, in dealing with this contention, says:

What appears to be beyond question, and is shown even by the figures of convictions with all their limitations, is that a substantial amount of excessive drinking, over the country as a whole, still exists. So long as that continues to be the case it cannot, in our view, be maintained that there is no problem of drunkenness.

On the relation of habitual alcoholic indulgence to other social maladies, the Commissioners say:

We are ready to accept in principle, though opinions may differ as to degree, the evidence put before us as to the influence of immoderate drinking in the aggravation of a variety of social evils, such as poverty, bad housing, neglect of children, matrimonial troubles, prostitution and certain forms of crime, although, as noted later, it may sometimes be difficult, in tracing such a connection, to distinguish cause and effect.

There are grounds for hoping that Great Britain has passed through the worst of the long-continued economic

depression. Should this prove to be the case, the question would arise whether an improvement in trade and a consequent development of general purchasing power would be followed by an increase in intemperance. On that point the Commission records this judgment:

While a general rise in prosperity would most probably lead to an increase in consumption, and probably also to a certain increase in the amount of intemperance, there is reason to hope that the changed habits which have been developed, particularly amongst the younger generation, coupled with the maintenance of the present restrictions, would be sufficient to prevent a relapse into insobriety on the former scale.

IMPAIRMENT OF EFFICIENCY

The growth of scientific knowledge as to the action of alcohol on man, and the conquest of the age by the engineer, have forced to the front a new issue in the national controversy concerning alcohol. This is well illustrated by a recent change in British legislation affecting road transport. The Criminal Justice Act, 1925, attached heavy penalties to the offense of drunkenness when in charge of a motor vehicle. The courts were continually called upon to determine whether an accused motorist was or was not "drunk" at the time of a collision or casualty. It became clear that the term "drunk" was too narrow as a legal description of the intoxication of a driver of car or lorry whose lack of control led to a disaster on the roads. Accordingly, in the Road Traffic Act, 1930, it was laid down that "any person who when driving or attempting to drive, or when in charge of, a motor vehicle on a road or other public place is under the influence of drink or a drug to such an extent as to be *incapable of having proper control of the vehicle*" should be liable to a substantial fine or imprison-

ment. Under this provision, 1,279 persons were convicted in England and Wales in 1930.

The significant fact which the foregoing legislative change illustrates is that contemporary science has overturned the old-time belief that alcohol was a help to work. The verdict of the numerous medical experts heard by the Commission is summed up in the following paragraph of its Report, the terms of which gain impressiveness from the balanced judgment therein expressed:

Owing to its narcotic properties alcohol, temperately used, may have a legitimate value in causing relaxation of mental tension after a period of strain or worry. Its use, however, as an aid to work, whether physical or mental, is regarded as physiologically unsound; and the performance of the finer kinds of work, at any rate—including, it should be noted, such responsible duties as the driving of a motor car or the piloting of an aeroplane—may be temporarily impaired by even moderate doses of alcohol.

Evidence was given to show that the great majority of motor transport companies in Great Britain enforce a rule requiring total abstinence from intoxicants on the part of motor drivers while on duty. The Commission went so far as to record the opinion, "We think this practice wise, and would welcome its universal adoption"; and extended the reference to air transport companies, affirming with regard to pilots and other operating personnel that total abstinence on their part during hours of duty is "no less desirable, and indeed of even greater importance."

It is manifest that while the direct reference in the Report to the impairment of efficiency by alcoholic indulgence is to road transport and aviation, the verdict of science on this subject is of unlimited applicability.

The official findings that the use of alcohol as an aid to work, whether physical or mental, is physiologically unsound, and that the performance of the finer kinds of work may be temporarily impaired by even moderate doses of alcohol, cover the whole range of industrial and commercial activity.

NATIONAL EXPENDITURE ON INTOXICANTS

While on the one hand the consumption of alcoholic liquors has notably declined and there has been a consequential diminution in crime formerly attributable to drunkenness, on the other hand the national expenditure on intoxicants—although less than a decade ago—is very much greater than in prewar days. This paradox is explained by the heavy increase in the retail prices of liquor, to which reference has already been made. Postwar taxation has increased retail prices of beer and spirits more than threefold. Many people drink less as a result, but a person who is determined to get drink often and at any cost may expend a much larger proportion of his income in doing so.

The fiscal facts, contrasting 1913 (the year before the war) with 1931, are shown in Table I.

The colossal total of the national drink bill impresses most those who are accustomed to deal with huge financial estimates or turnovers. For the average person, its significance is more easily apprehended in terms of family or individual expenditure. This is particularly so when the further fact is assessed that much of the heaviest habitual spending on liquor is in the poorer industrial areas. Bad housing is one explanation of this uneconomic use of wages. The Report of the Commission points to the correlative fact that heavy drinking under these conditions intensifies poverty:

TABLE I—NATIONAL AND PER CAPITA EXPENDITURES ON INTOXICATING LIQUORS⁴

	1913	1931
National drink bill	£166,681,000	£259,400,000
Per capita expenditure	£3. 12. 5.	£5. 15. 6.

STATE REVENUE FROM DIRECT TAXATION ON LIQUOR	
1913	1931
£36,937,076 (=about 22% of national drink bill)	£113,850,000 (=about 44% of national drink bill)

⁴ The figures for 1913 relate to Great Britain and Ireland; for 1931, to Great Britain only.

Where housing conditions are bad, the public house may represent the main chance of comfort and social enjoyment which is open to the worker and his wife. Here, however, the danger of a vicious circle needs to be reckoned with. By seeking refuge in the public house a man or woman may become tolerant of bad conditions at home, and *pari passu* the means to remedy those conditions may be seriously prejudiced by the amounts spent on intoxicants. We were impressed by the evidence put before us in this regard by a number of witnesses from their own experience and observations of social conditions in the poorer districts of large cities.

Trustworthy witnesses supplied the Commission with the results of recent social investigations indicating weekly average expenditures on intoxicants so large as only to be maintained at the price of food or fuel or clothing or house-room. The findings of the Commission on this major issue justify full quotation:

We have heard enough to convince us that in only too many cases amounts are being spent on intoxicating liquor which cannot be afforded if the necessities of life, including proper food and clothing for the children and a sufficient amount in rent to secure proper living accommodation, are to be supplied in adequate measure. We do not overlook the fact that there may be uneconomic luxury expenditure in other directions also—on smoking or betting, for instance.

It is a difficult matter to question the discretion of the individual to spend his money in the way which may seem to him best; but we are bound to record that the evidence which we have received has left upon us the definite impression that a substantial reduction in the present expenditure on intoxicants by all classes is strongly to be desired.

While it would be absurd to maintain that all of the money so diverted would be transferred to useful or productive ends, we believe that the greater proportion of it is likely to be better spent and at least a useful proportion saved or devoted to constructive purposes.

The probable loss to the revenue need not, in our opinion, be a matter for any great alarm. A sudden withdrawal from the revenue of the total amount of the taxation on intoxicating liquor would certainly provide a formidable problem. This, however, is not in the picture. Reduction in expenditure on intoxicants, if it is to come about, must necessarily be gradual; and it is our belief that the benefits to be derived from the diminution of the present excessive expenditure would progressively compensate for any loss on taxation yield from that source.

AGGRESSION OF THE LIQUOR TRADE IN PUBLIC AFFAIRS

The liquor trade interests have developed a strong, alert, defensive organization, skilled to concentrate and direct its forces in the political field. The peculiar danger of such an organ-

ization is that its inevitable objective is to maintain or increase the sale of wares potentially dangerous to public welfare. Its successes are won at the public cost.

Members and ex-members of Parliament testified before the Commission to the pressure brought to bear in their constituencies by political organizations of brewers, publicans, and liquor-supplying clubs. The designed effect is to strengthen the chances of election of candidates who are willing to accept the liquor trade's political policy, and to intensify opposition to candidates who are keen temperance reformers. Lord Astor, during his appearance before the Commission, placed in the hands of the Chairman, Lord Amulree, confidential statements by two well-known public men who had been "approached" by liquor trade organizations with the offer of financial advantages; both, to their honor, rejected the proposal.

A sinister development in postwar years has been the appearance of societies which, under names that suggest social welfare organizations, have carried on intensive propagandist work on behalf of the liquor trade. A notorious instance is the "Fellowship of Freedom and Reform," concerning which the sworn statement was made in the courts that it received in one year from brewers "twenty thousand pounds, more or less." Another society organized a team of press correspondents throughout the country who, under real or assumed names, contributed letters to the press in support of liquor trade policy, receiving payment for each letter published.

Another striking feature is a huge increase in the volume of advertisement of intoxicants. The daily press, weekly and other journals, public hoardings, rail and tram tickets, elec-

tric sign writing, and even sky writing have all been exploited. As regards a section of the press, there is reason to believe that considerations of advertisement revenue are not without influence on editorial policy. Of the flow of advertising, the Report bluntly asserts that "many advertisements contain statements which amount to palpable scientific untruths."

These various modes of propaganda—political, journalistic, and physiological—mark the determination of the leaders of the liquor trade to regain, if they can, the ground they have lost in Great Britain since 1915.⁵ There are many signs that the next few years will witness a stern struggle between the social welfare forces and the leaders of the liquor interests, who are manifestly alarmed at the shrinkage of their commercial territory.

THE STATE AND THE TRADE IN INTOXICANTS

The existing relationship of the state to the liquor traffic is threefold.

First, in the interests of national revenue the excise authorities are authorized by Parliament in each annual budget to levy substantial duties on beer, wines, and spirits. The heavy increases in the rates of duty during and since the war have already been indicated.

Second, in the interests of sobriety and public welfare the liquor trade is subject to an elaborate licensing code, a comprehensive body of legislation to which each succeeding decade sees additions. The main features of the British licensing code are that (apart from certain anomalies) the privilege

⁵ In 1915 the Central Control Board (Liquor Trade) was appointed by the Government to control the drink trade during the war-emergency period, so as to increase national efficiency. Its policy of a drastic reduction of hours of liquor sale and supply—now incorporated in legislation—began in that year.

to retail intoxicants is dependent upon the grant of a Justice's license, subject to annual renewal; the hours and conditions of retail trading in intoxicants are defined by statute; and licensees are required to comply with numerous legislative restrictions devised to safeguard public order.

Third, direct state ownership and control was instituted during the war for war-emergency reasons, in the City of Carlisle and in two thinly-populated Scottish areas. This system of direct ownership has continued, and has become the subject of critical examination and no small controversy.

The Reports of the recent Royal Commissions did not refer directly to the financial relationships of the trade to the national exchequer; but in accordance with the Terms of Reference, they dealt with every phase of the state licensing system, and also passed judgment on the public ownership undertakings.

At no point of note did either the English or the Scottish Commission suggest a substantial lessening of the existing restrictions on the trade in intoxicants. The English Commission, in point of fact, declared that the maintenance of the present standard of sobriety was in part dependent upon the continuance of the chief restrictions which govern the sale of liquor. New proposals were advanced in the English Report for additional restrictive action, e.g. by a large reduction in the number of licensed premises; the association of a local plebiscite with applications for new licenses in new housing areas; the placing of clubs supplying liquor under the supervision of a new registration authority; and the creation of national licensing commissions to oversee licensing administration in England and in Wales. In a word, a dominant idea of the English Report is the further development of the re-

strictive activity of the state over an admittedly dangerous trade.

The English and Scottish Commissions parted company on the subject of public ownership. The Scottish Commission, dealing with the two public ownership areas in Scotland—somewhat wide territorially, but sparsely populated—proposed their discontinuance. The English Commission, on the other hand, investigated with care the State Management District in and around Carlisle—much larger in population than the Scottish areas—reached a favorable judgment, and recommended a "further test" of direct state ownership and control over a still wider and more populous area, for the guidance of future public opinion.

The issue of local option is necessarily involved in a discussion of the relation of the state to the liquor trade. Scotland is the only part of the British Isles under a local option law. Since 1920 when the law became operative, polls have been requisitioned in various parts of the Northern Kingdom, and in a few of the smaller towns, "no license" has been carried with very satisfactory results. This is certainly true of the industrial towns of Kilsyth, Kirkintilloch, Wick, and Lerwick. But at the most recent polls, no further progress has been made by the no-license movement.

The Scottish Commission recommended the continuance of the local option experiment, both the majority and minority groups of Commissioners suggesting various amendments to the law. The English Commission, influenced by the slow progress in the cancellation of redundant licenses in Scotland under local option, recorded a hostile opinion on the general proposal. The efforts of the temperance members of the Commission are reflected in two exceptions to this judgment: informative polls are recom-

mended in new housing areas for the ascertainment of public opinion when applications for new licenses are before the Licensing Justices, and, as regards Wales, the Commission recommends a simultaneous national referendum at a future date to indicate the desires of the Welsh nation with regard to temperance reform.

It should be added that no witness before either of the Commissions recommended the national prohibition of the liquor traffic as a policy immediately applicable.

TEMPERANCE EDUCATION

It can be affirmed unhesitatingly that the feeling of the reform movement in Great Britain is increasingly favorable to reliance upon education as an essential and powerful factor in the solution of the liquor problem. To a limited extent instruction has been given in the last two decades in the state schools, based on syllabi which set forth the findings of contemporary science regarding the properties and the effects of alcohol. Numerous witnesses before the English Commission, representing social welfare movements, urged that such instruction should be made universal throughout the educational system of the country.

I attach the greatest importance to the following recommendation of the Commission on this subject:

We accept the view that every child ought to receive specific and systematic instruction as to the properties of alcohol, as in all other matters which may affect future health, so that the child may at least be in possession of sound material on which to form a personal judgment when years of discretion are reached. We are satisfied that the information and teaching contained in the impartial and authoritative syllabi which we have mentioned could hardly be bettered; and we consider that every possible step should be taken to secure the adoption of instruction on the basis of these syllabi in all educational establishments.

It is gratifying to record that administrative action is already proposed by the President of the Board of Education to give effect to the Commission's judgment and to the detailed proposals associated therewith.

Side by side with the development of temperance education in the state schools is a corresponding intensification of activity in and through the churches, on the basis of a moral and spiritual appeal to youth to abstain from the use of intoxicants, alike for the sake of fitness and as a contribution to the common weal.

The Rev. Henry Carter, since 1911 General Secretary of the Wesleyan Methodist Temperance and Social Welfare Department and joint founder and present Honorary Secretary of the Temperance Council of the Christian Churches, has been described by a Member of the Royal Commission on Licensing (England and Wales) as "easily the outstanding figure in the English Temperance movement." In 1929, Mr. Ramsay MacDonald nominated him for Royal Appointment to the Licensing Commission, under the Chairmanship of Lord Amulree. He is author of "The Control of the Drink Trade," and numerous other publications on temperance subjects. He is founder of the Abstainers' League, The Active Service Order, and a Youth Temperance Movement in Canada.

Temperance Legislation in Sweden

By OLOV KINBERG

ONE of the earliest descriptions by a foreigner of the customs of the Swedes—or the Russes as they were then called—dates from 921 A.D. Its author was the Ambassador Ibn Fadlan, sent by the Arab Caliph Mukledir to the King of the Bulgarians. Ibn Fadlan visited the camp of the Swedish Varangians at the Volga, and in detail pictured their curious and wild customs. Among other matters he refers to their unrestrained drinking habits: "They yield themselves completely to the enjoyment of wine, which they drink day and night. It frequently happens that some one among them falls dead with goblet in hand."

CORN BRANDY

After the Viking era, customs were no doubt modified, but the drinking continued. It was a long time, however, before Swedes made acquaintance with that kind of liquor which has played such a decisive rôle in the country's history of temperance—corn brandy.¹ In historical documents it is first mentioned in 1531, when it was introduced for medicinal purposes. Later in the sixteenth century it came into more common use, and since then it has become the national drink of the farming and laboring classes.

Since the middle of the sixteenth century various means have at different times been employed to combat the consumption of corn brandy. Various rulers prohibited its sale, e.g., Gustavus Adolphus in 1622. When his decree was withdrawn after a decade of operation, the distilling of brandy from grain came into use, both home dis-

tilling for private consumption and distilling for commercial distribution. At the same time brandy came to be a source of income for the state.

The attitude of the Swedish clergy to the distilling of brandy was most curious. In the 1660's there was only one still in each parish, and it belonged to the minister. It was during this period that the long since defunct custom originated of having the pastor offer his parishioners drinks in connection with the church service. To "take a church nip" is an expression which still remains in the Swedish language. "In the rectory one learned to drink, in the rectory one learned to distill."²

A new attempt to combat the distilling custom was made in 1697 by Charles XII, who prohibited distilling by the use of rye, the most common grain utilized for the purpose at that time. In 1719, after his death, however, this prohibition was lifted.

The rest of the eighteenth century was a tug of war between the friends of sobriety and the defenders of the stills, and was characterized by various efforts at legislative control, which usually had to be abandoned because of strong opposition, partly produced by economic factors and the inertia inherent in a widely accepted drinking habit, and partly by the belief that corn brandy was useful and even indispensable for body and soul. Although many of the country's most prominent men, among them Linnaeus, carried on a prolonged battle against brandy, the latter may be said to have won the

² Wieselgren, P., *Historik över brännvinslagstiftning*, Lund, 1840, p. 8.

¹ Of which gin is the nearest equivalent.

victory. The worst mistake was made in 1775, when the traffic was made a state matter and the so-called "crown distilleries" were introduced. This policy was abandoned in 1788, after its disastrous effects on sobriety, economic status, and morals had been clearly demonstrated.

In 1809, home distilling was re-introduced and remained for thirty years. The consumption of brandy during this period increased enormously. It has been estimated that in 1829, sixty million *kannor*³ of brandy were produced. In addition, about 140,000 *kannor* of cognac, alcohol, arrac, and rum were imported. Altogether this amounted to about 55 litres⁴ per inhabitant annually.

In 1850 in the small town of Falun a corporation was organized to combat the drinking of alcoholic beverages and its consequences, by securing "without consideration of private profit or privilege" all the rights to conduct saloons in the town. The purpose was "to decrease instead of to increase drinking," and all profits were to go to some useful or charitable enterprise in the community. During subsequent years similar corporations were formed in many towns.

THE GOTHENBURG SYSTEM

In 1865 the Gothenburg company was formed, which gave rise to "the Gothenburg system." Its purpose was, like that of the earlier organizations, purely philanthropic. A few years later, in 1873, legislation incorporated the principle divorcing economic interest from the sale of liquors, in such a manner that the whole net profit of the corporations would be distributed among local governmental agencies, the county council, and county agricultural societies. In 1895 the program

of the Gothenburg system was more clearly defined by law as being "the organization and supervision, in the interest of morals, of the sale and distribution of brandy within the city, the stock owners not to receive more than five per cent on their cash investment and the city not to make any profits."

It was soon demonstrated that neither local government bodies, county councils, nor county agricultural societies were, from the temperance point of view, suitable directors of these companies, since their economic interests easily pushed aside the demands for sobriety. This situation was not remedied until 1913, when all profits of the traffic were assigned to the state, and the corporations indemnified for their resulting losses. In order not to lead the state into the temptation to permit the growth of the income from the liquor traffic at the expense of temperance, the law declared that only a certain share of these profits could be used for state budget purposes, the balance being assigned to a special fund. Due to various defects in the law, the Gothenburg system was successful only in a limited field. Its activity, for instance, was restricted to the sale of brandy. Other strong liquors—cognac, whisky, punsch, liqueurs, and so forth—and wines were openly sold by the wine distributors. The sale of beer was equally free from restrictions.

Furthermore, the regulations for the sale of brandy under the Gothenburg system governed only retail sales. Through a decree of 1817, wholesale distribution had been separated from retail distribution. To engage in the wholesale liquor business, no special qualifications and no license were needed. The smallest quantity sold by the wholesaler was 15 *kannor*, or about 40 litres. In 1885 this minimum was raised, for brandy, to 250 litres. Neither was a sharp line drawn between

³ A *kanna* is about half a gallon.

⁴ One litre=1.0567 liquid quarts.

the retail shop *distribution* of brandy and the licensed *sale* by saloons, restaurants, and so forth. The smallest quantity sold in the retail shops was fixed at one litre; but in the licensed drinking places, smaller quantities could be bought and carried away.

In 1925 a real distinction was established between these two forms of retailing, when the consumption of liquor on the premises of the retail shops was prohibited, and when the licensed drinking places were prohibited from selling liquor for consumption outside their premises. Private economic interest was, of course, not completely dissociated from the licensed sale, and in these drinking places there existed a tendency to encourage the consumption of alcoholic beverages.

Finally, the Gothenburg system was at first confined to the cities. The principle was not nationally carried out until 1905. It took a long time before the Gothenburg system acquired a monopoly over the liquor traffic. The traffic in liquor other than brandy was free, and there were a number of special permanent or temporary licenses affecting country inns, bathing resorts, clubs, steamboats, and so forth. These licenses were not canceled until 1917. In 1919 the distribution of wines was intrusted to the system.

With the evolution of the corporations came the growth in their public control. In 1873 rules were established concerning the auditing of the corporations' finances by auditors appointed by city councils, county councils, county agricultural societies, and so forth. In 1913 it was decreed that the majority of the directors of the corporations must consist of public representatives.

LOCAL RESTRICTION

A characteristic and important trait in Swedish liquor legislation is the

strong influence upon it of local opinion. As early as 1877, it was decreed that a rural township could prohibit the sale of alcoholic beverages within its borders, and in 1895 this right of veto was extended to the cities. This condition has given rise to the fact that in Sweden the rural areas are almost completely dry. The liquor traffic has become concentrated in the cities or towns. The effect on rural drinking habits has been pronounced. The liquor consumption of the rural dweller is bound up with the relatively infrequent visits to the cities at the time of fairs, the great religious or other holidays, and so forth. During the intervening periods the rural population abstain from liquors to a large degree.

The relative scarcity of licensed drinking places has resulted in the curious condition that liquor consumption which in other countries is bound up with saloons, restaurants, and such places is in Sweden connected with the retail shop distribution. The litre bottle in Sweden has played the rôle of the saloon in other countries.

FEATURES OF PRESENT LEGISLATION

On the basis of these general conditions the present restrictive system in Sweden has developed. Its originator is Dr. Ivan Bratt, who, during 1909-1912, through pamphlets and lectures on how the liquor problem might be solved without prohibition, introduced the era of legislation which has culminated in the present laws concerning liquor sales. A circumstance which made the problem of great moment at the time was the fact that during the general strike of September 1909, total prohibition was for a while effective. In the same year a general referendum had resulted in 1,800,000 votes for prohibition and only 20,000 against it.

Dr. Bratt held that no conclusions

regarding the success of prohibition could be drawn from the 1909 experiment, since it had been of such brief duration that opposition against it, in the form of illegal sale and otherwise, had not had time to become organized. He also tried to show that in the long run, absolute prohibition could not be enforced and that it was therefore a dangerous experiment. Instead, he proposed legislation which has since been adopted and which contained the following main points: (1) individual control of retail distribution; (2) restriction on sales in licensed drinking places; and (3) an effective and general removal of private economic interest in the traffic with liquors.

The individual control mentioned was to be secured by compelling the distributing companies to know *to whom* they sell wines and liquors, *how much* they sell to him, and *under what conditions* the sale takes place.

The restrictions on licensed sales aimed to set limits to the quantity to be sold in restaurants, and to prohibit such sales except in connection with real meals. In addition, such sales were to be limited to certain hours, after noon for instance.

Private economic interest was in fact dissociated from the traffic by placing the wholesale distribution in the hands of a monopoly company, thereby preventing private individuals from entering the business. The profits of the monopoly were to go to the state after the owners of the private capital invested had received interest at 5 per cent. Profits on licensed sales of liquors or wines were to be limited in such a manner that each owner of a license would receive permission to sell at a profit only a given quantity of the commodity; this quantity was to be determined in relation to the size of his restaurant business and certain other factors. If more than the stipulated

quantity was sold, the licensee would receive no profits on the excess sales. This it was felt would counteract the interest which the licensee would have in selling as great a quantity as possible of alcoholic beverages.

To make the individual control of the retail distribution possible, the "pass book" was introduced—the most characteristic detail of the Swedish system today. Under present regulations and practice, a pass book is given only to persons who have reached majority age, who possess sufficient income to afford the purchase of alcoholic beverages, and who are known for their temperate mode of life. In a given family, only one member may possess a book. At time of purchase, the book must be presented and the quantity bought entered by stamp. An owner of a pass book may buy a maximum of four litres of strong liquors per month. In many cases (women, young unmarried men, persons with small incomes, and so forth) the right of purchase is limited to a maximum of one litre a month or every three months. Wines also are purchased through the pass book. The law sets no limits; they may be set by the distributing company. Notice regarding each quantity of liquor and wines sold must be immediately sent by the retail shop to the company, where the information is entered on the buyer's card, so that the company always knows how much and when each pass-book owner has made a purchase.

Any circumstance which indicates abuse of the right to purchase may result in the withdrawal of the pass book. Such circumstances are punishments for drunkenness, reported to the company by the police; the resale of purchased liquors; extraordinarily large wine purchases; and other evidence regarding the pass-book owner's misuse of alcohol, such as, for instance, his

TABLE I—LIQUOR CONSUMPTION IN STOCKHOLM
(In litres per inhabitant)

Year	Retail Shop Distribution	Licensed Sales	Total	Index
1911-1913.....	19.1	4.8	23.9	100
1914.....	14.0	3.8	17.8	74
1915.....	12.7	3.5	16.2	68
1916.....	9.6	4.1	13.7	57
1917.....	2.6	1.7	4.3	18
1918.....	2.0	1.3	3.3	14
1919.....	3.6	1.5	5.1	21
1920.....	9.7	2.8	12.5	52
1921.....	9.5	2.2	11.7	49
1922.....	9.5	1.7	11.2	47
1923.....	9.4	1.9	11.3	47
1924.....	9.6	2.5	12.1	51
1925.....	9.8	2.4	12.2	51
1926.....	10.2	2.4	12.6	53
1927.....	10.3	2.2	12.5	52
1928.....	10.4	2.1	12.5	52
1929.....	10.5	2.2	12.7	53
1930.....	10.9	2.3	13.2	55
1931.....	11.3	1.2	12.5	52

subjection to treatment under the law governing alcoholics. The cancellation of a pass book need not be permanent. If its erstwhile owner proves that he no longer abuses alcohol, he may, upon renewed application, have the book restored to him, perhaps with reduced purchase rights.

RESULTS OF PRESENT LEGISLATION

The new system was put in operation January 1, 1914, when Dr. Bratt organized the new company, the Stockholm System, for that purpose. The practical results of the restrictive legislation in Sweden appear from the following tables culled from the annual reports of the company.

Table I shows that licensed sales have decreased to one fourth during the period the company has been in operation, while total consumption per inhabitant has been cut in half.

The number of arrests for drunkenness has greatly decreased. The source of error which might operate in con-

TABLE II—ARRESTS FOR DRUNKENNESS IN STOCKHOLM ⁵

Year	Total	Per 1,000 Inhabitants	Index
1911..	14,361	41.77	89
1912..	16,799	48.47	103
1913..	17,696	50.42	108
1914..	11,878	31.09	66
1915..	11,323	29.31	63
1916..	9,877	24.78	53
1917..	3,749	9.17	20
1918..	6,341	15.35	33
1919..	11,282	21.61	59
1920..	10,207	24.59	52
1921..	6,950	16.55	35
1922..	7,488	17.74	38
1923..	8,069	18.99	40
1924..	8,181	19.03	41
1925..	7,275	16.58	35
1926..	6,689	15.12	32
1927..	6,452	14.23	30
1928..	5,465	11.76	25
1929..	5,356	11.30	24
1930..	6,436	13.22	28
1931..	6,771	13.48	27

⁵ From official statistics.

TABLE III—ARRESTS FOR DRUNKENNESS, ACCORDING TO AGE OF THOSE ARRESTED, IN STOCKHOLM ⁶

Year	Under 20 Years			Between 20 and 30 Years			More Than 30 Years		
	Number of Arrests	Per 1,000 Inhabitants Aged 15-20 Years	Index	Number of Arrests	Per 1,000 Inhabitants Aged 20-30 Years	Index	Number of Arrests	Per 1,000 Inhabitants Aged More Than 30 Years	Index
1900	663	25.4		4,152	64.5		5,597	41.4	
1901	586	21.8		4,688	70.9		6,678	48.9	
1902	454	16.7		4,407	66.3		7,157	51.8	
1909	418	14.6		4,997	61.4		9,994	63.7	
1910	442	15.6		5,302	65.8		11,113	69.9	
1911	303	10.9		4,196	52.6		9,862	61.5	
1912	381	13.8	100	4,882	60.4	100	11,747	71.9	100
1923	116	3.5	25	1,726	20.2	33	6,059	27.0	38
1924	94	2.7	20	1,733	20.2	33	6,072	26.5	37
1925	83	2.3	17	1,785	20.2	33	5,138	21.8	30
1926	88	2.4	17	1,615	18.2	30	4,954	20.7	29
1927	87	2.3	17	1,442	15.6	26	4,921	20.0	28
1928	86	2.2	16	1,347	14.1	23	4,018	15.9	22
1929	93	2.4	17	1,228	12.5	21	3,937	15.1	21
1930	91	2.3	17	1,481	14.4	24	4,665	17.4	24
1931	..	2.2	16	....	14.6	24	....	18.3	25

nection with the figures in Table II, namely, an increased tolerance on the part of the police toward drunkenness, need not be considered. The chances are that as temperance increases, the police will make even greater efforts to repress drunkenness, and that therefore the increase in temperance has been greater than the arrest statistics would indicate.

Table III indicates that drunkenness has shown a particularly great decrease among those under twenty years of age, an observation which is of great prognostic importance with reference to the system's possibilities for educating the youth in temperance.

Table IV indicates that the number of patients admitted to the special hospital for alcoholics in Stockholm has greatly fallen.

⁶ Daily notes from the police in Stockholm.

⁷ Annual reports of the Katarina Hospital, Stockholm. Here are received all the habitual drunkards who, in regard to their surroundings, are in urgent need of being treated or interned.

TABLE IV—NUMBER OF CASES OF CHRONIC ALCOHOLISM TREATED IN THE KATARINA HOSPITAL IN STOCKHOLM ⁷

Year	Number of Cases	Per 10,000 Inhabitants	Index
1911	348	10.1	14.4
1912	537	15.5	
1913	623	17.7	
1914	459	12.0	83
1915	362	9.4	65
1916	418	10.5	73
1917	127	3.1	22
1918	130	3.1	22
1919	314	7.7	53
1920	423	10.2	71
1921	288	6.9	48
1922	278	6.6	46
1923	247	5.8	40
1924	195	4.5	31
1925	181	4.1	28
1926	171	3.9	27
1927	159	3.5	24
1928	160	3.4	24
1929	161	3.4	24
1930	250	5.1	35
1931	303	...	34

Table V shows a striking decrease in deaths due to alcoholism. During the period of the system the decrease has been to less than one tenth.

TABLE V—CHRONIC ALCOHOLISM REPORTED AS CAUSE OF DEATH IN STOCKHOLM ⁸

Year	Number of Cases	Per 100,000 Inhabitants	Index
1900....	20	6.6	
1901....	27	9.0	
1902....	34	11.2	
1911....	19	5.5	83 } 109 } 108 } 100
1912....	25	7.2	
1913....	25	7.1	
1914....	15	3.9	
1915....	13	3.4	59
1916....	7	1.8	27
1917....	3	0.7	11
1918....	3	0.7	11
1919....	2	0.5	8
1920....	6	1.4	21
1921....	2	0.5	8
1922....	5	1.2	18
1923....	6	1.4	21
1924....	4	0.9	14
1925....	5	1.1	17
1926....	3	0.7	11
1927....	3	0.7	11
1928....	0	0	0
1929....	3	0.6	9

Table VI shows that the number of crimes of violence in Stockholm has been cut in half since the introduction of the system.

Confronted with these statistically expressed effects of the Swedish restrictive system, one cannot rid oneself of the impression that in Sweden a method of controlling the abuses of the liquor traffic has been found, which is well adapted to the social structure of the country. The opposition toward the plan which in the early years of its existence was characteristic of the press has gradually disappeared, and we may now say that on the whole the legislation in question is regarded as useful,

⁸ Reports of the Board of Health of the City of Stockholm.

and that the Swedish citizen has without great objection accepted the relatively small trouble to the individual, which is made necessary by the restrictions imposed.

TABLE VI—CRIMES OF VIOLENCE OFFICIALLY REPORTED IN STOCKHOLM ⁹

Year	Number of Cases	Per 10,000 Inhabitants	Index
1911....	582	16.93	17.29 } 100
1912....	619	17.86	
1913....	599	17.07	
1914....	496	12.98	
1915....	483	12.50	75
1916....	526	13.20	72
1917....	274	6.70	39
1918....	321	7.77	45
1919....	392	9.60	56
1920....	490	11.80	68
1921....	356	8.48	49
1922....	302	7.16	41
1923....	299	7.04	41
1924....	302	7.03	41
1925....	362	8.25	48
1926....	298	6.85	40
1927....	348	7.68	44

TREATMENT OF ALCOHOLICS

Parallel with the legislation concerning the liquor traffic, but partly of other origin, is the legislation governing those who misuse alcohol. The first motion for forcible treatment of alcoholics was made by a physician, Dr. E. W. Wretling, in the Riksdag as early as 1889. It stipulated that alcoholics who could not support themselves or their families, or who through lack of dependability, carelessness, or a hot temper were dangerous to themselves or others, could upon order of the court, after testimony by a physician, be committed for a maximum of one year to a public institution for alcoholics. The motion was lost. Similar

⁹ Based on official statistics. Crimes included: murder, attempts to murder, homicide by negligence, manslaughter, felonious wounding, malicious wounding, misdemeanors, assault, bodily harm by negligence (poisoning).

proposals meeting the same fate were made in 1903, 1905, and 1906.

Not until 1907 did the Riksdag, on motion of one of its members, decide to direct to the King a request for an investigation of the question. The task was assigned to the committee then at work on a bill governing poor relief and the treatment of vagrants, and in 1910 the project was ready for presentation to the King. Among others, the Swedish Medical Society was asked for an opinion on the bill. This Society had at the time a committee, the leading member of which was Dr. I. Bratt, engaged in a scientific study of the alcohol question, later published under the title of *Alcohol and Society*—without doubt one of the most important works ever published on this problem.

Based on Dr. Bratt's (from many points of view) novel and directive views on the alcohol question, the critique of the project was penetrating and of great significance. It declared that alcoholics subjected to institutional treatment should not be considered as sick persons, and that therefore all expressions in the bill lending color to such a concept should be removed. It was further declared that the bill considered commitment of alcoholics too much as an independent problem, without taking into account its organic relationship to organized effort for the encouragement of temperance; with the result that the general preventive effect of the law as well as its pedagogic importance would be decreased. Attention was also called to the fact that for the execution of such a law, special local government agencies would be necessary in order to take the preventive steps needed for the proper use of the commitment. These ideas of Dr. Bratt were carefully weighed when the bill was revised.

The characteristic feature of the

Swedish "Act concerning the treatment of alcoholics" therefore is: It is not directed against the alcoholic as a sick person, but against the disturbance in his conduct, as expressed by the abuse of alcohol. It is this fundamental trait in the law which has given it its social and preventive character.

PROCEDURE LEADING TO TREATMENT

Another original feature of the law is the manner in which procedural elements have been dealt with. In accordance with suggestions emanating from Dr. Bratt and the medical committee already mentioned, the application for a commitment order must be made to the proper county authorities (*länstytelsen*) by the local temperance board. Exception is made only in the case of dangerous individuals who must be disposed of on the moment. In the case of such persons the police may apply for the order and may temporarily confine the persons until the county authorities act.

By placing the duty of initiating the procedure leading to treatment in the hands of a popularly elected, local organization instead of in the hands of persons in the alcoholic's immediate environment—members of his family and other relatives, employers, guardians, and such—the law guards against abuse of the right by private persons who for various reasons might desire to profit by such commitment. The procedure adopted also gives political protection, through elective officials, to legislation which permits such serious interference with personal liberty. Finally, it provides for a realistic and practical consideration of the circumstances in the individual case and avoids incomprehensible and unrealistic juridical abstractions. Through constant dealing with such an important social problem, a growing number of persons throughout the

country are given a social consciousness.

The scope of the Act is determined by its first paragraph, which defines an alcoholic as a person "addicted to the abuse of liquors," and furthermore declares that such abuse must have made the addict (1) dangerous to himself or to others; (2) lacking in his duty to his family and relatives; (3) dependent on private or public charity; (4) incapable of providing for himself or managing his own affairs (indicating perhaps need for guardianship); (5) a common nuisance; or, (6) subject to three or more convictions for drunkenness during the two years preceding.

If proof of addiction can be presented as well as evidence concerning the existence of any one of the six effects mentioned, the temperance board shall take steps to deal with the addict and may ask the county authorities to issue an order for the commitment of the individual to a public institution for alcoholics. If such commitment is ordered, confinement must not exceed one year, unless the commitment order has been issued within five years after the end of an earlier period of internment, in which case the addict may be detained for a two-year period. If he is a menace to himself and others, or has committed a crime but has been declared irresponsible although not in need of care in a mental hospital; or if he has already a record of at least three internments, the last having ended within a year, an extra two years may be provided for in the new commitment, raising its length to three or four years depending on whether the maximum was one or two years on the basis of the general rule mentioned above.

SUCCESSFUL APPLICATION OF THE LAW

The law regarding alcoholics is consequently a strong measure against the

abuse of liquors. It took effect August 1, 1916 and has recently been revised and amended by an act taking effect July 1, 1932. Swedish experience with such legislation is therefore considerable. It shows that the underlying principles of the law are practical and appropriate to its purpose. The fact that the alcoholic is not regarded as a sick person has given the law a structure which has given great energy to its general preventive effects. Thanks to the temperance boards, this legislation, with its inroads on personal liberty, has been well enforced without much public opposition. At present, in most of the larger localities throughout the country, the temperance boards apply the law with great interest and fine insight into the manifestations of alcohol addiction in particular. The law has also led to the creation of institutions for the care of alcoholics, consisting largely of agricultural colonies where the inmates are taught industry, and where, through daily life in woods and fields, they are given an opportunity to improve their health and acquire new and more healthful habits of living. The law has therefore been a great success and has fostered temperance by energetic and purposeful means.

The legislation concerning the sale of alcoholic beverages and that dealing with the treatment of alcoholics form parts of an organic whole. Due to the sensible and psychologically sound principles upon which both are constructed, they have encouraged temperance throughout the land. Any attempt to introduce total prohibition in Sweden is probably out of the question for a long time to come. If in the near future any change takes place in legislation on the alcohol problem, it is likely to be limited to modifications in the present restrictions on distribution and sale—perhaps increased taxes on liquors to make them

more difficult to procure and thereby cut their consumption. The adoption of any strong taxation program is most uncertain, of course, in view of the fact that such a program has little support within those parties which are most likely to hold political power in the near future.

Dr. Olov Kinberg, professor of psychiatry at the School of Medicine—Karolinska Institutet—Stockholm, Sweden, is the author of many studies on alcohol and public welfare and is a contributor to numerous international journals. He has recently issued a book on "Present-day Crime Problems in the Light of Psychology."

Finland's Prohibition Experiment

By JOHN H. WUORINEN

FINLAND'S attempt to deal with the liquor question by means of a national prohibitive law came after several decades of sustained temperance propaganda. As early as the decade of the eighteen-forties, public-minded citizens began to concern themselves with the eradication of the social and moral ills which seemed to result from the prevailing unrestricted use of intoxicants. Already this early phase of the Finnish temperance movement was, interestingly enough, markedly influenced by the contemporary temperance work in other lands. The United States, for example, furnished a notable impetus to the movement. The first Finnish temperance tracts, which began to appear as early as 1843, were translations of American originals. From that day on, American experience was drawn upon to give inspiration as well as guidance in the propaganda for temperance and ultimately for prohibition.

Down to the eighteen-eighties, the spokesmen of the temperance ideal were pretty consistent in their advocacy of moderation in the use of the cup that cheers. They were successful in placing on the statute books the Liquor Law of 1865, which prohibited all home manufacture and established a licensing system. They also became responsible for the introduction of the Gothenburg system, which, by limiting the profit incentive and by making the public the beneficiary of the economic returns of the trade, served to remove at least some of the worst features of the traffic in strong drink. Considerable emphasis was placed on the effort to turn the Nation from spirits to malt beverages; the argument was fre-

quently heard that beer was the best ally of the temperance enthusiasts, and that the liquor problem would be solved in degree as the consumer was persuaded to become a devotee of beer.

This contention seemed logical, but statistics soon began to disclose a situation that perplexed and alarmed the enemies of John Barleycorn. By the seventies the consumption of beer had increased to a point that threatened to undo the results obtained through the Liquor Law of 1865 and other restrictive legislation. Unwilling to surrender to the new enemy, the protagonists of temperance began to perfect their program and organization. Out of this situation arose, in the space of a few years, a more militant movement dedicated to the advocacy of complete abstinence.

THE COMPLETE ABSTINENCE MOVEMENT

The complete abstinence movement gained noticeable momentum after 1884, when the Friends of Temperance was established in Helsinki, the Finnish capital. By 1888 over thirty other societies had come into being, and they were consolidated in a national organization in that year. A few figures may be cited at this point to indicate the growth of the new organization. Its membership was 210 in 1884, nearly 6,000 in 1888, and exceeded 10,000 in 1892. By 1901 it was over 14,000, and in 1905 almost 50,000. In the latter year the number of local societies approximated 600. Under the auspices of the national body, thousands of lectures on behalf of total abstinence were delivered yearly, and considerable amounts of printed propa-

ganda were issued and distributed. The work was partly supported by public funds. Beginning in 1886, the Friends received annual government grants which ranged from \$700 to \$4,000. The amount exceeded \$7,000 in 1906-1908.

The growing strength of this phase of the temperance movement was only partly reflected in legislative enactments. Between 1885 and 1905, several measures designed to limit the use of intoxicants were passed by the national Diet. Notable among them was that of 1891. It regulated the manufacture and sale of all alcoholic beverages of 22 per cent and over. Four years later the range of regulation was widened, and again in 1902. However, no effective gradual prohibition by means of local option was obtained, despite the efforts of the Friends of Temperance to turn the country dry by this means. Their failure was a consequence, in the main, of the conservatism of the unrepresentative Four Estate Diet.

When a thoroughgoing political reform (in 1906) gave the country a democratic national legislature elected by universal and equal manhood suffrage, the supporters of prohibition

were given their first real opportunity to test the effectiveness of their work. In 1907, when the reformed Diet held its first session, not less than five proposals for prohibition were presented. The Friends of Temperance had sent an investigator to the United States in 1906 to gather pertinent information and precedent, and the bill of 1907, which had been drafted under the auspices of the organization, was passed on October 31, 1907, but failed to become a law.

A revised bill, passed in 1909, also failed because Imperial promulgation necessary for laws passed by the Finnish Diet could not be obtained. It was not until the Czarist government had been swept away by the Revolution in 1917 that the Provisional Government promulgated the law. This was done on May 29, 1917. According to the closing paragraph of the measure, Finland would be dry beginning June 1, 1919.

The passage of the bill of 1907 and its second acceptance two years later testify to the strength of the anti-liquor movement. There is other evidence, however, which should be mentioned. Especially that pertaining to the consumption of intoxicants during the years when the prohibition move-

TABLE I—CONSUMPTION OF ALCOHOL, 1871-1918¹
(In litres of 100 per cent alcohol)

	Spirits	Wines	Malt Beverages	Total	Per Capita
1871-1875.....	4,904,700	128,400	207,100	5,240,400	2.84
1876-1880.....	4,995,500	142,400	314,400	5,452,400	2.75
1881-1885.....	5,561,200	159,200	562,900	6,283,500	2.95
1886-1890.....	3,830,700	164,500	738,100	4,733,500	2.06
1891-1895.....	3,364,000	189,800	919,500	4,473,300	1.83
1896-1900.....	4,142,400	223,200	1,237,500	5,603,300	2.14
1901-1905.....	3,605,500	164,500	1,065,200	4,835,400	1.72
1906-1910.....	3,415,100	232,600	1,096,200	4,744,000	1.58
1911-1913.....	2,998,600	428,400	1,022,800	4,450,000	1.40
1914-1918.....	797,400	99,800	582,200	1,479,500	0.45

¹ These tables are taken from my *The Prohibition Experiment in Finland*, New York, 1931, pp. 41, 43. A lengthier statement of pre-prohibition developments is found in Ch. II.

ment was gathering momentum, is of considerable interest. The situation before 1919 is indicated, as definitely as statistics permit, by the accompanying tables.

A glance at the liquor consumption of some other European countries is also instructive.

The penalties for infractions of the law may be briefly summarized as follows. The preponderance of fines over jail sentences was conspicuous. For the first conviction, the penalty was only a fine in all cases except manufacture and import. Even of these, the first was punishable by a fine according

TABLE II—PER CAPITA CONSUMPTION OF INTOXICANTS, 1896-1910

Country	1896-1900	1901-1905	1906-1910
France	21.25	21.66	22.93
Italy	12.53	15.55	17.29
Switzerland	16.81	16.47	13.71
Belgium	11.66	11.20	10.58
Great Britain	11.64	10.89	9.67
Austria-Hungary	7.50	7.76	7.75
Germany	8.68	8.52	7.47
Denmark	8.85	8.32	6.82
Holland	5.76	5.83	5.01
Sweden	5.88	4.84	4.33
Norway	2.76	2.68	2.37
Finland	2.14	1.72	1.58

Both of these tables reflect a considerable decrease in the consumption of liquor and explain the boast which the Finns made years before 1919, that Finland was the most sober nation in Europe.

THE PROHIBITION LAW AND ITS ENFORCEMENT

The prohibition law which went into effect on June 1, 1919, was an enactment of twenty-eight brief paragraphs. Its content was later considerably changed, especially by the revision of 1922. It defined as alcoholic all beverages of more than 2 per cent alcoholic content, and prohibited the import, manufacture, sale, and storage of such beverages, except for technical, scientific, or medicinal use. The sole right of import and manufacture was reserved to the state, which was empowered to delegate the right "to a concern subject to special supervision and regulation."

to the original enactment. The fines were ridiculously small, especially down to 1922, and ranged from \$2.50 to about \$25 for the first offense. The maximum jail term was two years, for illegal importation and for a second conviction for the illegal possession of distilling apparatus.²

During the years following 1922, the penalties imposed for violations of the prohibition law frequently involved the use of a novel device called the "day-fine." The day-fine appeared in the Finnish Criminal Code in 1922. It is a graduated fine, as its definition shows.

Fines shall be stated in day-fines. . . . In handing down a fine, the Court shall decide its amount in accordance with the average daily wage of the defendant at the time, taking into consideration the defendant's prosperity, his obligations to support his family, as well as other factors

² I have given a detailed account of the original law and the revisions of 1919-28 in *ibid.*, pp. 53-56, 59-68.

influencing his ability to pay. The amount thus fixed shall be the defendant's day-fine.³

This flexible system of fining the culprits did not mean, of course, that the original provisions of the law were thereby rendered more onerous.

No specific provision for enforcement was made until May 1919—some three weeks before the law went into effect—when the general supervision of prohibition was centered in the Temperance Department of the Ministry for Social Affairs. This arrangement, as well as certain later measures, may be said to have failed to create an efficient organization capable of enforcing the law. The Temperance Department was burdened from the beginning with a host of clerical and legal duties, and was given no direct part in actual enforcement. The organizations actually responsible for enforcement—the police, the Customs Guard, and several voluntary and semi-voluntary bodies—were not placed under the control of the Department. At no time was anything like, say, the Prohibition Unit in the United States created. It is probably no exaggeration to say that the whole business of enforcing the law was poorly organized

from the very beginning of the experiment.

HOW WAS PROHIBITION OBSERVED?

It must be said at the outset that the question of prohibition observance cannot be answered except in a most general way. All the conventional statistical and other material which is usually cited illustrates not how far the law was observed but how frequently it was broken—or, to put it more accurately, it illustrates only the frequency of detected and possibly punished infractions of the law. The question should therefore read, How many instances of prohibition violations were discovered while the law was in force? It will be well to keep constantly in mind that it is only indirectly and by inference that the answer to this question is also the answer to the original query.

Some aspects of the prohibition problem which warrant at least passing consideration are: (1) the consumption of intoxicants; (2) drunkenness; (3) violations of the prohibition law; and (4) crime and alcoholism.

When the prohibition law went into effect, the legal liquor trade was cen-

TABLE III—STATE ALCOHOL CORPORATION SALES, 1919-31⁴
(Beverage alcohol, in litres of 100 per cent)

Year	Alcohol	Strong Liquors	Wines	Total	Per Capita
1919.....	234,100	20,800	3,100	258,000	0.08
1921.....	750,200	16,300	8,200	754,700	0.22
1923.....	781,600	24,400	11,000	817,000	0.24
1925.....	998,800	58,700	19,700	1,072,200	0.31
1927.....	1,438,300	115,000	22,600	1,570,900	0.44
1930.....	558,300	221,600	.....	779,900	....
1931.....	583,900	224,900	.....	828,800	....

³Sundstrom, B. (Ed.), *Suomen Rikoslaki*, pp. 9-10.

⁴The figures for 1919-27 are taken from *ibid.*, p. 98, and those for 1930-31 from *Sosiaalinen Aikakauskirja*, 1932, No. 4, pp. 230-32. Since

1927, the reports of the State Alcohol Corporation group spirits and wines together, and consequently the totals are not in litres of 100 per cent. The per capita figures have been omitted for this reason.

tered in the State Alcohol Corporation established for the purpose of importing, manufacturing, and selling intoxicants for legitimate use. The sales of the Corporation during 1919-31 are shown in Table III.

The channels through which these amounts of legal liquor reached the ultimate consumer—apothecaries, physicians, veterinarians, and so forth—need not concern us here. It should be noted, however, that startling evidences of abuses were discovered even in the early years of prohibition, and that there is good reason to believe that a substantial part of this so-called "lawful liquor" was placed within the reach of the consumer in a corrupt, unlawful manner.⁵ In any case, all the available evidence indicates that smuggled liquor, rather than that handled by the State Alcohol Corporation, constituted the real problem during the years 1919-31.

That smuggling would become a problem under prohibition was realized by the advocates of prohibition long before 1919. The committee that drafted the original prohibition bill, for example, had this to say in 1906:

Smuggling can never be completely wiped out, and it is improbable that a system capable of wholly eradicating it will ever be found. . . . It is likely that [after prohibition has become a fact] smuggling will at first increase in those parts of the country where little or no smuggling has existed hitherto, but it will disappear in a few years when the law has had a chance to stabilize conditions.⁶

The known facts suggest, however, that the difficulties during prohibition were much greater than this optimistic surmise anticipated.

It must be stated at the outset that the volume of illegal, smuggled liquor is

susceptible of no accurate measurement. Some sort of a rough indication of the magnitude of the problem is given by official statistics showing the amounts of alcohol seized by the authorities. In the following table, the figures for 1919-21 have been omitted because statistics for these years are too incomplete to make their inclusion worth while.

TABLE IV—SEIZURES OF INTOXICANTS,
1922-30⁷
(In litres)

1922.....	296,070
1924.....	845,020
1926.....	1,043,100
1928.....	1,185,990
1930.....	1,052,490

There is no good reason for holding that the yearly confiscations of intoxicants indicate, in a reliable manner, the total volume of liquor illegally sold and consumed. It will suffice, therefore, to note only that smuggling seems to have grown rapidly.

Among the problems connected with or reflected by the use of strong drink, that of drunkenness is one of the most

TABLE V—CONVICTIONS FOR DRUNKENNESS,
1911-31⁸

	Total	Rate per 10,000
1911.....	13,600	43
1913.....	15,900	49
1919.....	5,400	16
1921.....	30,700	90
1923.....	50,100	144
1925.....	64,300	182
1927.....	78,300	219
1929.....	79,400	220
1931.....	88,600	240

⁷ See tables in *ibid.*, pp. 107-108; *Helsingin Sanomat*, Jan. 9, 1931; *Hufvudstadsbladet*, Jan. 29, 1931.

⁸ Pp. 115-120 in the prohibition study cited; *Hufvudstadsbladet*, Dec. 18, 1931; *Sosiaalinen Aikakauskirja*, 1932, No. 4, p. 226.

⁵ I have summarized the evidence in *The Prohibition Experiment in Finland*, pp. 99-105.

⁶ Quotation from *ibid.*, p. 106.

obvious. Turning to drunkenness statistics, we discover the situation shown in Table V. These figures show convictions, and not the number of persons convicted. For the sake of comparison, two pre-prohibition years have been included in the table.

Punishable and punished inebriety thus increased with sufficient rapidity to justify the conclusion that in so far as official statistics mean anything, they indicate a steadily growing frequency of heavy or inadvertent drinking.

ALCOHOL AND CRIME

A Government committee appointed to investigate the knotty problem of the relation between liquor and crime in Finland reported in the Fall of 1931 that

. . . in by far the greater number of [serious crimes] alcohol was the general reason or the catalyst . . . which precipitated the crime. Alcohol was responsible for the fact that such circumstances as would lead persons under the influence of intoxicants to commit crimes of violence, were much more frequent in 1919-29 than in pre-prohibition years.⁹

The specific evidence on which this conclusion was based need not be detailed here. Suffice it to say that crime statistics since 1919 seem to support the generalization. However, it should also be admitted that it is no easy task to arrive at anything like a really satisfactory estimate of the degree to which alcohol should be considered — either to the exclusion of other factors or in conjunction with them — a fundamental cause for the multitude of ills which are usually grouped together under the heading, "Crime."¹⁰

The degree to which violations of the prohibition enactment swelled the rec-

ord of lawlessness is suggested by the following table:

TABLE VI—VIOLATIONS OF THE PROHIBITION LAW, 1919-31¹¹

1919	5,280
1921	11,020
1923	17,340
1925	19,810
1927	22,370
1930	35,640
1931	30,080

The figures are not strictly comparable, because those for 1919-27 give convictions, while those for 1930-31 indicate, according to the phraseology of the official record, "violations discovered by the authorities." However, they seem to reflect a growing disregard of the law, and serve to explain the contention of the critics of the law that prohibition was honored throughout more in the breach than in the observance.

ALCOHOLISM DURING PROHIBITION

That alcoholism would become increasingly rare when prohibition would become effective, was the conviction of the friends of the law. During the twelve years of prohibition, this hope, along with many others, was found to rest on too great confidence in the efficacy of prohibition. Not only did alcoholism persist — it showed alarming signs of becoming more frequent. While too much reliance should not be placed on the more or less fragmentary information on alcoholism which had been collected by the time the law was repealed, the evidence is strong that alcoholic insanity was more common at the close of the prohibition period than during the so-called normal years before the World War.

According to Dr. M. E. Ehrnrooth, a

⁹ *Helsingin Sanomat*, Nov. 11, 1931.

¹⁰ I have discussed this problem with regard to Finland in my survey, Ch. VIII.

¹¹ *Ibid.*, p. 133; *Sosiaalinen Aikakauskirja*, 1932, No. 4, p. 223.

well-known member of the Finnish medical profession, the percentage of alcoholics in certain institutions investigated by him increased fourfold between 1920 and 1928. In 1931 another physician, Dr. O. Leinberg, and Professor T. Kalima of the Helsinki University came forth with evidence that pointed in the same direction and led to the conclusion that the situation in 1919-31 was worse than that before the war. The seriousness of the situation was recognized as early as 1928, even by confirmed Drys. For example, Mr. K. K. Aro, the Chief of the Temperance Department, urged speedy legislative action to relieve the condition created by the growing number of alcoholics.¹²

PUBLIC OPPOSITION TO PROHIBITION

It goes without saying that the law was publicly opposed from the very beginning, and that both individuals and certain organizations commenced to urge its repeal long before prohibition had been given a real trial. For reasons that will be discussed later, anti-prohibition sentiment became conspicuous during the last year of the experiment, and ultimately led to its outright repudiation.

In the course of 1931, several unofficial prohibition polls seemed to spell the doom of the law. In the spring, the University Students' Temperance Society sounded its members on whether or not the law should be repealed. Of the replies, 80 per cent were cast for repeal, and the number of supporters of prohibition was only slightly more than 50 per cent of the total number of teetotalers in the Society. In another poll, the national Independence League voted overwhelmingly against the law; 89 per

cent favored repeal. During the fall months, still another poll was held under the auspices of the *Suomen Kuvalehti*, the leading pictorial weekly in Finland. While the vote was not completed because of the opposition of the temperance organizations in the country, the incomplete returns showed that nearly 80 per cent had voted against the law, and only about 11 per cent for it. In December, the faculty of the Helsinki University was canvassed by the *Helsingin Sanomat*, the leading newspaper in Finland. About 91 per cent of the replies were for repeal, and less than 3 per cent pronounced for the retention of the law without change. Probably the most impressive of these protests against prohibition was the address signed by nearly 120,000 women, which was presented to President Svinhufvud on May 5. It urged the scrapping of prohibition and the establishment of some other system of liquor control which would erase the evils that, it was alleged, had accompanied prohibition.¹³

Two other and weightier condemnations of the law deserve mention. The Bjorkenheim committee of experts, appointed by the Government in January 1931 to examine the general prohibition situation, submitted a report in November in which modification was recommended. Specifically, the committee advised the legalization of the manufacture and sale of 3.2 per cent beer and 12 per cent wines. Two months earlier, the law was severely criticized by the Federation of Finnish Judges, an august body embracing the leading legal talent of the country. The Federation submitted a lengthy memorandum to the Government which really amounted to a severe indictment of the law. It culminated in

¹² *The Prohibition Experiment in Finland*, pp. 150-156; *Helsingin Sanomat*, Aug. 16, 1931, Apr. 24, 1932; *Svenska Pressen*, Apr. 11, 1931.

¹³ *Helsingin Sanomat*, May 6, 9; Nov. 7; Dec. 20, 24, 1931.

a statement which maintained in part that

. . . prohibition is generally disregarded, and a large part of our people do not look upon a breach of the prohibition law as a real crime; . . . throughout the land . . . the use and misuse of alcohol have greatly increased . . . ; this misuse of alcohol has gained ground . . . to a degree which constitutes a threat to the moral and physical well-being of our Nation.¹⁴

THE NATIONAL PLEBISCITE

The advisability of holding a referendum on the prohibition question had been urged years earlier, especially by the Progressive daily, the *Helsingin Sanomat*, but it appears that it was only during 1931 that the idea began to obtain more widespread support. The Government took up the project in earnest in the early part of the summer, and in December presented a bill providing for a national vote on prohibition. By that time all the leading political parties excepting the Social Democrats had embraced, directly or by implication, the idea that the prohibition tangle should be solved by means of an appeal to the electorate.

The plebiscite bill was passed on December 9. The vote was 97 to 83. The law put three alternatives before the voters: (1) Shall prohibition be retained without change? (2) Shall the prohibition law be changed to the extent of legalizing light wines? (3) Shall prohibition be repealed, and a system of state regulated sale of alcoholic beverages be substituted? The date for the vote was fixed as December 29 and 30. On December 12, the President issued an ordinance specifying, among other things, that the women's vote should be registered on red ballots and the men's on white.

The plebiscite constituted an overwhelming repudiation of the law which

¹⁴ *Hufvudstadsbladet*, Sept. 9, 1931.

had been a bone of contention for over twelve years. The number of votes cast for the continuation of prohibition was 217,208. Of this total, the vote of the women was somewhat more than one half, or 115,684. Modification obtained only 10,947 votes, of which 4,914 were cast by women. Outright repeal found favor with 546,332 voters, of whom 226,820 were women. The fact that the number of women favoring repeal was considerably greater than the total vote in favor of prohibition, may probably be called one of the startling results of the referendum.

Expressed in percentages, the vote was as follows: for prohibition, 28.05; for modification, 1.41; for repeal, 70.54. It is also worth noting that only 44.34 per cent of the electorate participated in the vote. Of the male voters, 52.5 per cent were persuaded to register their opinion in the controversy, and of the women, only 37.2 per cent.

The referendum was consultative and not mandatory. Its outcome was so clear-cut, however, that the legislature could not well ignore it. Parliament was called in extra session and met on January 19, 1932. On the thirtieth, it passed by a vote of 120 to 45 a bill which repealed prohibition and thus brought to an end nearly thirteen years of effort to legislate liquor out of existence. The new law went into effect on April 5, 1932.¹⁵

THE LIQUOR LAW OF 1932

Among the more important provisions of the new law, the following stand out. "The liquor trade shall be organized in a way that will stamp out the illegal trade in intoxicants, and will reduce the use of alcoholic beverages to the smallest possible minimum, as well as prevent drunkenness and its harmful consequences." The liquor

¹⁵ *Helsingin Sanomat*, Dec. 3, 10, 1931; Jan. 5, 15, 31, 1932.

business in all its aspects is placed under the control of the Alcohol Company, a state-owned and state-directed concern. It supervises the manufacture, sale, and import of intoxicants; in municipalities where liquor is sold, the local government appoints an inspector whose function it is to watch over the observance of the law. The Alcohol Company pays local and national taxes on the same basis as other concerns, and customs dues are levied on all alcoholic beverages imported by it.

The Alcohol Company is empowered to establish liquor shops in cities and towns. Over eighty such shops had been established at the time when the present law went into effect. The shops do business from ten in the morning till three in the afternoon. They are closed on Sundays and holidays, and on the days preceding and following Sundays and holidays. Thus, alcoholic beverages can be bought, during an ordinary week, from Tuesday to Friday only. It is interesting to note also that the shops are closed during the week before Easter Sunday, and between December 20 and New Year's Day. The shops are open, as a matter of fact, only about 180 days in the course of the year.

Hotels, restaurants, railway dining cars, and steamers plying local routes may likewise dispense liquor, or beers and wines. Excepting certain larger hotels and restaurants, they may dispense alcoholic beverages only with meals. The prices charged are fixed by the Alcohol Company, and vary considerably—for the same commodity, that is—depending upon the type and class of hotel or restaurant.

Speaking in general terms, liquor can be purchased by all persons who are not "obviously below twenty-one years of age," or who have not been temporarily deprived of the right to buy because of "obvious misuse" of strong drink.

The privilege to buy can be suspended for a maximum period of one year. In the hotels and restaurants, liquor must not be served to patrons who are under eighteen years of age. The law says nothing as to the means whereby the age of a guest or purchaser is to be determined, and the likelihood that this provision will fall into disuse appears to be considerable.

The maximum stocks permitted in the home are: 20 litres of beer (one litre is roughly equivalent to a quart), 20 litres of wines, and 5 litres of spirits. Amounts in excess of this 45 litre maximum can be purchased and stored only if a proper permit has been obtained. However, the law also states that home-brewed malt beverages, and fermented wines prepared from berries and fruits, which are made for home use are exempt from the provisions of the law.

The penalty clauses of the enactment need not detain us in this survey. A careful consideration of the fines and the jail terms which are mentioned in it leaves the impression that the legislators expected to launch the new system with the aid of the advantages attaching to a liberal policy of control, rather than on the strength of such deterrents as may seem impressive on paper but are likely to remain ineffective in the face of a "will to disobey."

The profits of the liquor trade fall under two headings. The net returns of the Alcohol Company will be divided as follows: thirty-five per cent will be used for temperance work, for the suppression of possible illegal liquor trade, and for the national old-age insurance fund. A like portion will be allocated to other unspecified public expenses. The remaining 30 per cent will be divided among the localities where no liquor is sold. However, the profits accruing during 1932 and 1933 will be used to meet general government expenses. The profits made by

hotels, restaurants, and the like cannot be accurately stated at the time of writing, but the financial arrangements whereby they purchase their stocks from the Alcohol Company, and the price schedules provided by the Company, suggest distinct efforts to reduce them to a minimum.

WHY WAS PROHIBITION REPEALED?

In view of the perennial controversy between the Wets and the Drys in this country and abroad, it may not be amiss to try to formulate an answer to the question as to why prohibition was repealed. Because of lack of space, the answer must be brief. It will consist of a few generalizations which, while they are specially applicable to Finland, have a bearing upon the prohibition problem in the United States as well.

It is impossible to hold, of course, that the Finns discarded prohibition for any one reason. It is equally difficult to insist that the outcome of the referendum was the result of a calm, scientific appraisal of the problem by the voters. Prejudice, misinformation, and lack of information were no doubt important components of the verdict handed down by them. This could not well have been otherwise, because of the nature of so-called prohibition evidence. The evidence—even official statistics—could only be pronounced inadequate or contradictory, and on occasion, even useless.

Most violations of the prohibition law are of necessity more difficult to discover than are other forms of lawlessness. Crimes of violence, theft, forgery, and the like are nearly always discovered, even if the culprit is not apprehended; the fact that a breach of the law has taken place can be easily ascertained. Not so with regard to prohibition violations. Except in connection with chance arrests of smug-

glers or the detention of inebriates, such violations leave no telltale evidence. The fact that the prohibition law had been broken could be discovered, ordinarily, only if the offender was caught. It follows that convictions for such offenses could not by any reasonable interpretation be assumed to stand in a measurable relationship to the total number of prohibition violations. This observation applies to the whole category of prohibition evidence, with one possible exception. The exception is that pertaining to alcoholism; but it is unlikely that statistics on alcoholism played an important part in deciding the fate of prohibition.

Furthermore, most of the evidence is open to other objections. Drunkenness statistics, for example, yield no proof with regard to the frequency of heavy drinking before and after 1919. Probable greater vigilance on the part of the police, more severe treatment of the drunkard by the courts, and the recidivist's part in swelling the record—these are only a few of the indefinable quantities in the drunkenness equation.

Equally indefinable elements are found in the information concerning smuggling. The amounts of alcohol seized by the authorities prove little or nothing concerning the quantities that reach the ultimate consumer every year. Also, to conclude that other violations of the prohibition law grew or decreased in degree as convictions rose or fell, is to assume a constant ratio between offenses committed and offenses discovered. Yet the fixing of such a ratio is wholly a matter of guesswork. And concerning the question of crime and prohibition, it can hardly be denied that the case is far from clear and convincing.

Lack of enforcement—

It is the writer's deliberate opinion that prohibition was repudiated in

Finland for two main reasons. The first may be stated as follows. Most Finns could probably testify to the fact that ever since 1919 liquor had been available. Hotels, restaurants, speak-easies, and private bootleggers sold or served it; men and women of station high and low consumed it without thereby colliding, except possibly on rare occasions, with the forces of law and order. Under these circumstances, drunkenness statistics, for example, could but appear as nothing more than surface indications—unimportant surface indications at that—of a widespread hostility or indifference to prohibition. The experiences and the observations of the average citizen proved rather conclusively that prohibition did not in fact prohibit.

Economic considerations—

The second reason was economic. The contention that prohibition deprived the Government of an important source of revenue, and enriched bootleggers and their ilk, was frequently heard long before 1931. It was only in the course of 1931, however, that the law was being repudiated in many quarters because of the conclusion that prohibition does not pay.

The Agricultural Producers' Association, meeting in Helsinki on February 11, 1931, went on record against prohibition and maintained that "prohibition has been markedly unfavorable for the private and public economy of our people." In November, eight of the

leading industrial and commercial associations in the country urged upon the Government the absolute necessity of taxing liquor, and pointed out that ever mounting taxes and the growing difficulties of balancing the national budget recommended this course. In the same month, the Society of Finnish Engineers expressed the same opinion. On the eve of the referendum, a number of the leading citizens of the country published an appeal to the Nation which emphasized the same question. Referring to "the well-known economic difficulties which have made prohibition one of the burning questions of the present," they counseled repeal because

we do not appear to be able . . . to meet even the . . . essential demands of our public economy, and may not be in a position to save the economic life of our Nation from grave disaster, unless we tax the liquor which the lawless traffic in intoxicants has spread, tax-free, throughout the land ever since prohibition went into effect.¹⁶

Our conclusion is, then, that prohibition went by the board because, in the opinion of the majority of the participants in the 1931 referendum, prohibition had failed to prohibit, and had not been economically advantageous. It is unlikely that later research will disclose more dignified and more definitely measurable reasons for the defeat of prohibition in Finland after a trial lasting over twelve years.

¹⁶ *Helsingin Sanomat*, Feb. 12, Nov. 14, Dec. 24, 1931; *Hufvudstadsbladet*, Dec. 18, 1931.

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Liquor Regulation in Russia

By JOSEPH BARNES

THE problem of liquor regulation, inherited by the Soviet Government from its imperial predecessor, resembles many other Russian problems in that it lies close to the soil and to the peasants who work the soil. In part, this is due to the chemical simplicity of vodka, the Russian national drink, which can be manufactured by any peasant with almost no capital equipment. More important reasons, however, are the broad outlines of the social and economic geography of Russia. The great mass of the people are still engaged in agriculture, with very few roads and inadequate rail transport. A northern climate prevails over most of the territory. Large sections of the population are still living under a subsistence form of economy, with relatively little trade of any sort. It is only logical, therefore, that regulation, for the Soviet Union as for the prewar government, has been less a police problem than one of economic reconstruction.

There is no conflict of testimony concerning the peculiar rôle played by vodka in the life of the Russian people. In recent generations the popularity of beer has grown, especially among urban workers. Among the peoples of the Caucasus and Central Asia, wines have always been consumed. Kvass, a dark brown drink made of fermented bread, with low alcoholic content, is a traditional peasant beverage. But vodka, an alcohol distilled from grain, fruits, or potatoes, is the national drink of Russia.

The earliest foreign travelers in Russia returned with stories of the amazing drinking habits of its people. Instead of moderate daily drinking,

Russians have always been inclined to irregular but intensive intoxication, especially on feast days and religious holidays. Such habits prevailed among the upper classes as among the peasantry before the war. Russian literature is full of the implications of excessive drinking, and the descriptions by Gorki or Dostoievski of the part played by alcohol in the bleak, desolate life of rural Russia before the war can hardly be challenged. The conception of Russians as "the dark people," made popular by the Slavophiles and their critics, was based directly on Russia's religious mystics, its bearded peasant philosophers, and its incurable drunkards.

BEGINNING OF RUSSIAN PROHIBITION

In view of the reputed addiction of the Russian people to its vodka, it was a bold step to prohibit, even as a military measure, its manufacture and sale. Russia was the first Christian country to adopt complete and nationwide prohibition. At the end of July 1914, the sale of intoxicating liquor was forbidden during the period of mobilization, and an imperial ukase of August 22, 1914, extended the prohibition to the duration of the war. The step was hailed, especially in America, as a farsighted and progressive measure enacted by a benevolent despot. A longer perspective shows that boldness was the measure's chief, and perhaps its only, quality.

Enforcement was impossible from the first in a country as disorganized as Russia of 1914. The peasants turned to samogon, vodka distilled at home, while the following statement

written in 1916 by Professor Ozerov¹ is not difficult for Americans to understand today:

Drunkenness continues, the illicit sale of liquor continues undisturbed in the private rooms of luxurious restaurants. The distilleries are unable to satisfy the demand for liquor. Dealers make incredible profits. Chemistry is resorted to in the home, to rectify methylated spirit, varnish and eau de Cologne. Consumption of alcoholic liquor flourishes especially among the wealthier classes. The State has merely renounced the taxation of alcohol and has not succeeded in suppressing its consumption.

Far more important for the Russian Empire were the financial consequences of prohibition. The manufacture and sale of vodka in Russia had been a state monopoly for some years, and the revenue had become an extremely important item in the budget. In 1913 the state revenue from its spirit monopoly was 678 million rubles, and in the preceding decade, the annual receipts had averaged over 500 million rubles, or more than one fourth of a budget which was balanced at an average of 2,000 millions per year.² This income immediately disappeared, with a consequent enormous loss to the treasury. Various efforts were made to replace it with increased land and income taxes, but the financial stringency of the coming years, which was to prove important on the military front as on the domestic front, was in large measure due to prohibition.

The immediate effects of prohibition were not solely fiscal. It has been estimated that the monetary saving of the village population, taking into account the saving on beer and on the

indirect expenses of drinking, such as celebrations, peasant fires, and so forth, amounted to nearly 1,000 million rubles a year.³ This resulted in a real, if temporary, rise in the standard of living of the peasantry, but also in a serious disorganization of the grain market and of the distribution of manufactured goods. A thorough study of the results of prohibition in wartime Russia has not yet been made, and it is possible to exaggerate its effect on the conduct of the war and on the impending revolution. It is, however, clear that conditions were not ideal for an experiment of such dimensions.

AFTER THE REVOLUTION

When the Imperial Government fell, in 1917, there was no thought of changing the prohibition régime. The moderate liberals who took power in February were in large part representatives of the industrial, financial, and intellectual classes who had clamored loudly for the original decree. In November the Communists succeeded them. Whatever the urgency of reasons for which they eventually discarded prohibition, there was no thought of such action at that time. Special squads of Red troops in the large cities were detailed to destroy the large wine stocks in confiscated cellars, and in some places Soviet troops fired on crowds who were using the confusion of the revolution to pilage sealed wine shops.

At this stage the hopes of the Soviet leaders were high, and alcohol in all its forms was anathema to them. "To permit the sale of vodka," declared Lenin, "would mean one step back to capitalism." There was not enough grain to feed the people. Public

¹ Ozerov, J., *Osnovi finansovoi nauki, dopolnenie za vremya voini*, Moscow, 1916, p. 59.

² Michelson, Alexander M., *Russian Public Finance During the War*, New Haven, 1928, pp. 39-40.

³ Antsiferov, A. N., and others, *Russian Agriculture During the War*, New Haven, 1930, pp. 133-134.

order and safety were at a discount. Even if the Communists had guessed that enforcement would be beyond their powers, they had other industries to rebuild more important to them than distilleries.

The peasants had turned to samogon during the early years of the war, but with civil war, goods famine, and the beginning of forced grain requisitions, the distilling of vodka at home became an important industry. With fixed grain prices and a ban on open market sales, the most convenient and profitable disposal of the peasant's surplus crop was in liquid form. Soviet authorities decreed extreme penalties against the making of samogon, and enforced them as much as possible in their drive to feed the city workers; but to no avail. The only alternative open to the peasant was to deliver his grain at fixed prices payable in a depreciated currency, with no manufactured goods to purchase with the money. The Russian peasant did not hesitate.

Exact figures of the extent of this illicit manufacture are, of course, unavailable. Soviet authorities estimate that from 80 to 100 million poods⁴ of grain were annually lost to the state in this manner, and that in 1925 from 35 to 40 million vedros⁵ of samogon were distilled.⁶ The economists of the new régime were no less impressed by the discovery that two and one-half times as much grain was required to make one vedro of samogon as to make the same quantity of vodka by recognized industrial methods. Besides this, the peasants used only rye or wheat for distilling, while large-scale distilleries could use potatoes, which are cheaper and which yield a useful refuse after distillation.

⁴ One pood equals 36 pounds.

⁵ One vedro equals 3.25 gallons.

⁶ Sokolnikov, Gregory Y., and others, *Soviet Policy in Public Finance*, Stanford, 1931, p. 194.

PROHIBITION ABANDONED

In August 1921, six months after the formal announcement of the New Economic Policy, the first step in the relaxation of prohibition was taken. At first, wine was permitted with an alcoholic content up to 14 per cent; and by the beginning of 1922, beer was added. A year later the manufacture of spirits with alcoholic content up to 20 per cent was made legal, this limit being raised to 30 per cent at the close of 1924. Like the New Economic Policy itself, it was a fighting retreat. Finally, on October 4, 1925, the Government authorized the manufacture and sale of 40 per cent grain alcohol, restoring to legality the traditional vodka drunk before the war.

The abandonment of prohibition, like the New Economic Policy, was forced by the attitude of the peasantry and by the financial blockade of the rest of the world. It involved no change of opinion on the basic question of alcohol, to which the Communist leaders remained opposed. The new policy was attacked by extremist left-wing theorists on the same grounds as those on which they attacked the New Economic Policy, as a concession and as defeat. Even Lenin defended it, however, as a strategic move to gain breathing space. At first it was intended to help the grain problem, but it soon yielded a revenue of such importance that the liquor problem today is a financial problem in the Soviet Union. Joseph Stalin, in December 1925, just after the decree making 40 per cent vodka legal, told the Fourteenth Congress of the Communist Party:

As regards economic planning, we must above all see to it that the necessary reserves shall be provided. In this connection, let me say a word or two about one source of reserves, namely, vodka. A

great many people seem to believe that we can upbuild socialism while we are wearing kid gloves. That is a great mistake, Comrades. If we cannot get any loans, if we suffer from a lack of capital, and if, furthermore, we do not wish to become the enslaved debtors of western European capitalists or to grant concessions on the servile terms which are offered to us, then we must find other sources of income. It is better to do this than to become enslaved debtors. We have to make a choice between debt slavery and vodka. Those who think that socialism can be upbuilt by persons who wear white kid gloves are making a great mistake.⁷

As a source of revenue, vodka has already become an important item in the Soviet budget. It plays a smaller rôle than before the war, but the receipts from excise taxes on alcoholic beverages grew from 587 million rubles in 1926-27 to 1,542 million rubles in 1929-30. This latter figure represented 13.3 per cent of the total budget, and 28 per cent of the total income derived from taxes.⁸ Since that year the figure has had little meaning, for with the increasing socialization of industry, the Government is endeavoring to secure income directly from taxes on turnover and profits instead of through excises and other forms of indirect taxation.

The increase of this revenue item has been one of the major grounds for attack on the Soviet policy, both outside and inside the Union of Socialist Soviet Republics. Émigré writers have not hesitated to accuse the Government of exploiting the moral degeneration of the workers and of stimulating vodka sales to increase revenue. Similarly, this revenue formed one of the planks in the platform of the opposition led by Trotsky,

which claimed in an underground pamphlet⁹ that the workers' interests were being threatened by a steadily increasing load of indirect taxation, one of the principal items of which was the excise on vodka. As with many of the criticisms voiced by the Trotsky opposition, the text was given a more cordial hearing than its writer, and with Trotsky's exile there began a steady downward trend in indirect taxation, with an appreciable lowering of the excise rates on intoxicating liquors. One month after Trotsky arrived in Constantinople, in February 1929, a new liquor law was put into effect, curtailing distribution, and the celebration of the anniversary of the downfall of the Czar in that month was the first sober holiday in Moscow in many years.

PRODUCTION AND CONSUMPTION OF ALCOHOLIC DRINKS

There have been other reasons for the reduction in the excise rate on alcoholic drinks. Until 1929 about 70 per cent of the retail price was the excise tax; and although production costs have been cut below prewar figures, the cost to the consumer is still high. One result of this is that peasants brewing samogon have been able to sell it in the towns for less than the state product, provided they could escape the penalties of fine and imprisonment, which are still severe. Another factor of importance is the desire of the Government to increase its sales of beer and vodka in the country districts, both as a deterrent to the brewing of samogon and as an incentive for the peasant to part with his hoarded grain. By 1928 the proportion of Government liquor sold in the villages had risen from 50 per cent to 56 per cent, but the problem was not yet solved.

⁷ Stalin, Joseph, *Leninism*, London, 1928, pp. 415-416.

⁸ Briukhanov, N. P., *Financi Vtorovo Goda Pyatiletki*, Moscow, 1930, p. 21.

⁹ *London Times*, December 2, 1927.

It is difficult to compare the present production of spirits with prewar figures, because the 1913 state monopoly did not include large territories in Transcaucasia and Eastern Siberia. Outside of those districts, in 1913 the Government sold 1,286 million litres of alcohol and vodka.¹⁰ The Soviet production of alcohol and vodka in 1926-27 amounted to 645 million litres. The total fell off in the three succeeding years, rising to 747 million litres in 1931. The control figures for 1932 provide for a further increase to 800.2 million litres.¹¹ These figures of course do not include the production of samogon in the villages. This has been very roughly estimated for 1928 at 22 million vedros, or 270 million litres.¹²

For the Soviet leaders, the most serious result of the abandonment of prohibition was unquestionably the sudden and sharp fall in labor productivity. When spirits became once more freely available, Soviet authorities are agreed that there was a marked increase in drunkenness in the cities, especially among workers. The slow recovery in labor efficiency and discipline since the revolution was seriously retarded. Failure to report for work on Mondays, a high labor turnover, and a falling off in labor productivity were indices by which it was plain that the return of alcohol presented a serious problem to Soviet industry. The Soviet press of 1927 and 1928 is full of disclosures of the extent to which drunkenness had spread. In 1927 the Ural Coöperative Society was shown to have sold the workers alcohol representing 18 per cent of the total wage bill of the Ural district. One industrial section in

Leningrad in the same year consumed two hundred bottles of vodka per head of the adult population.¹³

RESTRICTIONS ON LIQUOR

Under such conditions it was not difficult for the militant prohibitionists of the Soviet Union, led by such figures as Krupskaya, the widow of Lenin, Karl Radek, Semashko, then Commissar for Health, and Maxim Gorki, to show that alcohol was costing Soviet industry more than it was contributing to the budget. Partly as a result of this and partly as an answer to the attacks of the Trotsky opposition, in the beginning of 1929 a *volte-face* in party policy was announced. Instead of the schedules adopted in the Five-Year Plan, which aimed to increase the production of spirits to the prewar level, the Central Executive Committee voted new schedules stabilizing production at less than half of the prewar per capita amount. Shortly afterward, restrictions were placed on the sale of beer and vodka, and an extensive educational campaign against drunkenness was begun.

Under the present state monopoly, distilling is permitted by state, coöperative, or private plants. Almost all the beer and vodka which reach the legal market are produced at present by the state. All alcohol, when distilled, must be surrendered to the central office of the State Alcohol Monopoly (*Tsentrosipri*), which is under the jurisdiction of the Commissariat of Finance. Rectification, preparation of grain vodka, and the assignment of consumption and export quotas are under the control of this organization, which has its own marketing outlets. In 1930 it operated about seven thousand stores.¹⁴ Before the war, the state vodka monopoly main-

¹⁰ Michelson, *op. cit.*, p. 104.

¹¹ *Pishchevaya Promyshlennost*, Moscow, 1932, No. ½.

¹² Sokolnikov, *op. cit.*, p. 197.

¹³ *Pravda*, Moscow, April 10, 1928.

¹⁴ Sokolnikov, *op. cit.*, p. 198.

tained 25,733 stores.¹⁵ At present a certain amount of liquor is still sold through the coöperative stores, but it is a part of the Government policy to restrict distribution as far as possible to the stores of the spirit trust.

By two decrees, dated September 11, 1926 and March 4, 1927, the sale of liquor to minors or persons in an intoxicated condition, at public buffets and restaurants, and on certain holidays, had been forbidden. In these decrees, also, provincial and local authorities were given partial authority still further to restrict the sale of alcohol in their districts. In February 1929 the Council of People's Commissars first adopted a series of decrees aimed at a thorough regulation of the traffic. Sales of vodka, wine, and beer were suspended during all holidays and pay days. Temperance placards were to be posted in every store and drinking place, and the use of alcoholic drinks in window displays was forbidden. A number of concerns were ordered to prepare plans for the development of soft drinks, candy, raisins, and so forth. Coöperative societies were instructed drastically to lower prices on all kinds of sporting goods and musical instruments. The Gosplan, or State Planning Commission, was ordered to work out plans for new sources of revenue which could be substituted for the alcohol excises. Finally and most important, municipal and district councils were given the power to close any store or restaurant selling wine, beer, or vodka.¹⁶

This last provision, similar to the local option system outside of Russia, lies at the heart of the present regulation of liquor in Soviet Russia. It differs from local option in that all

important decisions under it, as under any similar statute in the Soviet Union, have their origin in the Kremlin rather than in any local elections. It gives the Government, however, a quiet but effective lever for the control of bad conditions. Such a lever was badly needed. In practice, it is very often used. All construction sites where new industrial plants are being erected fall automatically into the category of "dry districts." Coal mines in the Don Basin, cracking plants in the Caucasus, and railroads where operating quotas are not being fulfilled are similarly controlled. When any industrial plant or district encounters what the Russians call "a tight place," the first result is inevitably the closing down of all liquor shops in the neighborhood. Admittedly, such action is still impossible in the big cities, and it leaves the problem of peasant drinking untouched; but it has proved increasingly effective as a guard against the industrial evils of drunkenness.

The samogon problem requires, the Soviet leaders have realized, a different attack. They have tried to solve it by increasing the sale of state vodka in the villages, by increasing the supply of manufactured goods to a point where the peasant will prefer to sell his grain rather than to distill it, by an extensive educational campaign, and by collectivization. The most successful of these measures has been the last. Even with a reduced excise rate, state vodka is still more expensive than samogon. Light industries are as yet unable to supply more than a fraction of the demand for goods in the villages. Education of the Russian peasant is a slow job. Collectivization, however, has made rapid progress, and with it there has come a steady decrease in the home distilling of spirits.

¹⁵ Florinsky, Michael T., *The End of the Russian Empire*, New Haven, 1931, p. 37.

¹⁶ *Trade and Industry Gazette*, Moscow, Feb. 24, 1929.

EDUCATIONAL CAMPAIGN

The distinctive feature in the Soviet educational campaign against alcoholism, as in the Soviet technique of regulation, is its emphasis on the industrial aspect of the problem. The mass of party propaganda, issued through the press, the moving pictures, the radio, the schools, village speakers—through every agency of social contact in the Soviet Union, reiterates the theme expressed in the slogan “Vodka versus the Five-Year Plan.” Much of what has been construed abroad as religious persecution has been the determined attempt to break up, by every means possible, the ingrained Russian habit of carousal on religious holidays. Breakage of machinery, absence from work, and low labor efficiency which result from excessive drinking are pictured in graphic figures and cartoons which confront the Soviet citizen at nearly every minute of the day. The loss of the workers’ wages, the increase in accidents, crime, and disease, and the tremendous waste of national wealth are preached by the Society Against Alcoholism, by the labor unions, by the Army, and by the center of the Soviet educational system, the Communist Party organizations, with all the fervor of a religious crusade. It is, however, a crusade not for the moral regeneration of mankind, but for labor efficiency.

Attention is of course directed also to the medical aspects of the liquor problem. So far as capital and personnel resources have permitted, modern dispensaries have been organized in

the big cities, where free treatment is available.

COMMUNISTIC VIEW OF LIQUOR PROBLEM

It should not be forgotten, above all, that Soviet practice rarely departs far from the line of Communist theory. In that theory there is no liquor problem as such, and consequently no direct and simple solution of it. “Alcoholism will disappear,” wrote Lenin, “as a social problem only with the complete destruction of the social conditions which give it birth.” American prohibitionists, like American pacifists and birth-control advocates, have been surprised in Moscow by the unwillingness of Soviet specialists to treat these problems as the roots of human tragedy and distress. The reason is that the Communist sees them only as the evil fruits of an evil system. An elaborate analysis has recently been made of the money spent in Leningrad for alcoholic beverages.¹⁷ The results showed that a worker with an 80-ruble salary spent 8 per cent of it, a worker with a 40-ruble salary 19 per cent of it, and a worker with a 16-ruble salary 32 per cent of it on drink. No such statistics were needed to confirm the Communists in their conviction that drunkenness is the inevitable result of bad living conditions and oppression. They believe that education and regulation are necessary, but in the final analysis, they hope to achieve temperance by the elimination of the social conditions which they believe to be responsible for the use of alcohol.

¹⁷ Alexandrov, J., and P. Stel'makh, *Pochemu mui pyom*, Leningrad, 1929.

Mr. Joseph Barnes is engaged in research work for the Institute of Pacific Relations. He spent four months in Soviet Russia in 1928 and ten months in 1931, his principal interests having been in banking and in economic planning.

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NORTH, CECIL CLARE. *Social Problems and Social Planning.* Pp. x, 409. New York and London: The McGraw-Hill Book Company, 1932. \$3.50.

There has long been an urgent need for a really integrated and coherent discussion of social problems. Even in textbooks of sociology, the preliminary theorizing of the earlier chapters is often ignored when the author begins to wrestle with the intricacies of social policy. The elaborate classifications of social processes or social factors are apparently forgotten in the rush of new data marshaled for the elucidation of practical issues.

In the volume under review, Professor

North has given us a really comprehensive and illuminating account of the bearing of the processes of cultural change upon the practice of social planning. This book is not just one more attempt to solve the familiar riddles of poverty, defect, and delinquency. It is not a laboratory manual for the social worker. It is something at once more original and more stimulating. It might be called a Study of The Problem of Social Problems. It is, in other words, an attempt to set these problems in the framework of the theory of cultural change. After four chapters setting forth the nature of cultural change, the various alternatives for its deliberate control are taken up.

About two thirds of the book is devoted to an examination of the possibilities of shaping population policies, of developing social control of the economic system, of reconstructing international and racial relations, and of fitting government, the family, moral codes, education, and religion to changing social needs.

The author brings a humane and realistic scholarship to a task which he handles in a spirit at once conservative and forward looking. The book should prove useful to the general reader as well as to college students in sociological classrooms.

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CANTOR, NATHANIEL F. (Introduction by Raymond Moley.) *Crime: Criminals and Criminal Justice*. Pp. xiv, 470. New York: Henry Holt & Company, 1932. \$3.50. Students' edition, \$2.80.

This volume is another brave attempt at a synthesis of the many and varied subjects that fall within the field of criminology. It gets off to a good start with an encouraging introduction by Professor Raymond Moley. The spirit of the volume is both expository and polemical, though caution is displayed in the selection of materials, and in the assertion of opinion where the evidence is partially lacking. In general, one gets the impression that the volume is both sound and formidable.

The materials are arranged under five major categories, of which the first is entitled "Perspectives." This word could suggest almost anything germane to the general subject, but the author uses it here to include subject matter relating to the place of criminology among the social sciences, and to the modern efforts toward a new orientation of the law as an empirical science. On the former point there is sound discussion of the qualitative differences between the natural and the social sciences both as to subject matter and as to method; and on the latter point, there is a justifiable animus against those still prevailing tendencies in the law which make it cling to outworn historical precedents, or to psychological or other assumptions that cannot possibly square with our new scientific insights. In general, it seems

that the author is strongly affected by the juridical aspects of the subject, which are developed somewhat at the expense of his sociological data.

This last point is demonstrated by the fact that in Part II on "The Making of the Criminal Mind," the author compresses within three chapters most of the evidence of a sociological or psychological character that bears upon the genesis of crime. Herein is presented in a fragmentary manner some of the recent data relating to the alleged "causes" of crime and delinquency. No doubt Dr. Cantor is right in his contention that our knowledge of the causes of crime is lacking in specificity and conclusiveness. What we have are general hunches such as a good surgeon gets through feeling over the body of the patient. We can locate the source of trouble, but have no techniques, as the surgeon has, for putting our fingers surely and precisely upon the difficulty. But where the author is cautious and skeptical on these matters, at another turn of the discussion he rises to dogmatic certainty when he says: "So long as the Western European economic order remains fundamentally unaltered, there is little likelihood of controlling in any large measure the complex factors generating crime and criminals." I am inclined to agree with this statement, and I am glad to see such an emphasis made. But on the other hand I would give more credence than the author seems to give to the conclusions that are made in some of the recent studies of juvenile delinquency relative to the bearing of family life and of neighborhood and economic conditions upon juvenile crime.

Where the author's skepticism is greatest is in his discussion of the relationship of psychopathology to crime. With regard both to mental deficiency and to the various categories of mental disorder, Dr. Cantor feels that our knowledge of their precise bearing upon the problem of crime in general is hazy and uncertain. The psychiatrists are accused, with some degree of justification, of falling into the fallacy that Lombroso embraced, of an attempt to create a criminal type without adequate reference to control groups.

In Part III under the heading of "The

Administration of Criminal Justice" there are six chapters which run the gamut of the legal procedures from the time of the arrest or complaint to the disposition of the case in court. The author has drawn heavily upon the recent critical materials from some of the crime commissions and from awakened legal authorities to indicate the "cultural lag" in existing criminal procedures. The familiar picture is drawn of our legal agencies proceeding against the citadels of crime, not as a well-disciplined army which acts from common agreement as to first principles, but as a Falstaffian crew, armed with archaic weapons, amid a confusion of voices as to what should be done. Dr. Cantor holds forth little hope of improvement from a piecemeal remedy of the system, but looks for permanent results only through a new legal philosophy based upon empirical science, and a more effective support for public administration which would derive its methods and principles from such a new, scientific orientation.

Nine chapters ensue under the general heading of "Penology." There is a Darwin-like attack upon the assumption of individual responsibility in a deterministic universe; and although the author affirms that the mechanisms of human behavior operate on a different plane from the materials in a test tube, he does not make clear just what, if anything, the individual has to do with his own destiny.

In his discussion of the penal system, its defects are effectively portrayed. There is a commendable amount of factual material relative to developments and conditions in the American penal system, including an account of many progressive measures already adopted. There is also a valuable chapter on the legal status of the prisoner, and an evaluation of the scientific attempts that have been made by Professor Burgess and by the Gluecks to predict the effect of parole.

A final section under the somewhat dubious title of "Techniques" has three chapters which demonstrate the paucity of our statistical materials; set forth what the author calls "Root Problems"; and present a valuable account of the penal system in Soviet Russia. His "Root Problems" select rather arbitrarily nine important phases

of the general problem of crime from eugenics to the reform of the economic system. One feels that an equally imposing list of nine other factors might have been enumerated with quite as much validity. One of his "Root Problems" is religion, but this is disposed of in a paragraph which presents two diametrically opposed views as to the effect of religion, leaving us unenlightened as to whether or not it is a problem at all.

One comes to the end of this good book with the thought that another wedge has been put under the ponderous bulk of our respectable and ancient penal system, including its concepts and procedures.

ARTHUR EVANS WOOD

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ETTINGER, CLAYTON J. *The Problem of Crime*. Pp. viii, 538. New York: Ray Long & Richard R. Smith, Inc., 1932. \$3.00.

Dr. Ettinger is both a psychiatrist and a professional sociologist. He is a doctor of medicine from the Detroit College of Medicine and Surgery, and received his Ph.D. from the University of Pittsburgh. He has also been a graduate student at Columbia, the Sorbonne, and Cambridge. At present he is professor of sociology at Western State Teachers College, Kalamazoo, Michigan, and visiting psychiatrist at the Kalamazoo State Hospital. With such qualifications, one might readily believe that *the* textbook in criminology had finally been written. Unfortunately, the content of the book fails to reflect the excellent orientation and training which the author undoubtedly possesses.

The book is divided into three parts: Part I is devoted to "The Criminal," and covers twelve chapters, two of which are analyses of psychiatric factors and one of which analyzes the influence of alcohol and narcotic drugs. Part II is devoted to "The Machinery of Justice," four chapters describing methods in crime detection, the police system, criminal law and procedure, and the juvenile court. Part III, consisting of eleven chapters and entitled "Society's Reaction to the Criminal," describes the development of penology, contemporary prison conditions, and the techniques and

philosophies of probation and parole. The volume is concluded with a chapter on "Prophylactics of Crime."

This text shows real evidence of a grasp of the scope of the field and an appreciation of the place of personality disorders as etiological factors in crime commission. The psychiatric approach, together with sociological analysis of individual cases, is undoubtedly the most promising line of attack. One may reasonably question, however, the marked emphasis which Dr. Ettinger places upon mental factors. He appears too ready to accept, for example, feeble-mindedness as a cause for crime.

In general, the volume lacks unity, integration, and a real assimilation of the material of the field into an organic presentation of the relevant facts of criminology. Perhaps no volume designed as a textbook exhibits more glaring misspellings of names of authors, careless editorial work, and slipshod proof reading than this book. We sincerely hope that Dr. Ettinger will make the necessary corrections upon revision, because a work which embodies his point of view is certainly needed for any understanding of the problem of crime. Also, a chapter on criminal statistics should be added, or at least there should be a description of what is being done at present.

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University of Pennsylvania

BREARLEY, H. C. *Homicide in the United States*. Pp. x, 249. Chapel Hill, N. C.: University of North Carolina Press, 1932. \$2.50.

This short volume makes a valuable contribution to the literature of criminology by supplying the facts and the best critical information available on the occurrence of murder and violent death. Especially valuable are a series of carefully worked out tables of homicide rates per 100,000 population, showing among other things: (a) yearly rates and ten-year (1918-27) mean rate for the states in the registration area; (b) rates for forty states by color and residence (i.e., white or colored and rural or urban); (c) rates for all registration cities of 10,000 or more inhabitants (704 included); (d) rates for all counties, exclusive of cities of 10,000 or more inhabitants, in

the registration area. Interesting information is also contributed on the question of the rôle of weather and seasons in connection with homicide.

The general outline of the picture of homicide given is not unfamiliar. Thus, the rate per 100,000 for the United States registration area was 8.5 in 1929, but this varies from a low of 1.4 in Vermont to a high of 29.5 in Florida—or from a low of 1.3 for Portland, Maine to a high of 95.4 for Miami, Florida. In comparing rates, it should be remembered that it is just as difficult and important a problem to give satisfactory explanations for the differences that appear between Vermont and Florida as for those between the United States and England or Canada.

On the theoretical side the author reviews a number of explanations of the causes of homicide, and tends to emphasize the factors of a cultural pattern of lawlessness, racial conflict, mobility, and the rapid growth of cities. The least defensible proposition advanced is, in the judgment of this reviewer, the concept of *sociological age* as a principle of explanation.

GEORGE B. VOLD

University of Minnesota

SEN, PROSANTO KUMAR. *From Punishment to Prevention*. Pp. xv, 152. London: Oxford University Press, 1932. \$3.75.

This is an admirable little book by a former Hindu judge, who is well qualified to speak on the evolution of the philosophy of punishment from the frank revenge of the Germanic codes to the present emphasis upon preventive hygiene. His orientation has come largely from the late Professor Enrico Ferri. Especially valuable is his presentation of the ancient Hindu code, wherein he finds the essentials of modern penology. A clear statement of the Soviet code is presented and a comparison is made between Western penal philosophy and the present Russian system, as well as a comparison of the Hindu with the Continental, English, and American penal purposes. Sir Evelyn Ruggles-Brise has written the Foreword. The book is exceptionally well written and has a good Bibliography and Index. J. P. SHALLOO

University of Pennsylvania

ROBINSON, LOUIS N. *Should Prisoners Work?* Pp. xii, 355. Philadelphia: John C. Winston, 1931. \$2.50.

It requires courage to write a book on prison labor during a period of great economic distress, when it is difficult for the general public to see why prisoners should work at all when the honest are unemployed. A reading of Dr. Robinson's work would set such fears at rest. He shows very clearly that permanent unemployment on a large scale is most likely to be found in our penal institutions, which in some states are—and have been for years—vast idle-houses, where prisoners, if they work at all, are employed part time or permitted to loaf on the job. This is particularly true of the county jails. The reason he claims to be "the absence of any settled public opinion in favor of adequate work," and he calls attention to the fact that some of the greatest advocates of modern systems of prison labor become lukewarm when those systems clash with the interest groups they represent.

Dr. Robinson insists that prisoners should work, because labor is a form of moral restorative and at the same time a source of revenue to the state, and of income and vocational training to the prisoner. "So long as prisons are still necessary, we are under direct moral obligation to make them institutions for the betterment of humanity."

The book deals with the extent of unemployment and employment in prisons, the causes of such unemployment, the system of labor in use, the industrial management, problems of the penal institution, the costs, wages, and profits of prison labor, and so forth. Twenty-eight statistical tables illustrate the text and a very complete bibliography is appended. There is no doubt that here is the best all-round study of the question which has been made in the United States.

THORSTEN SELLIN

University of Pennsylvania

BERG, LOUIS. *Prison Doctor.* Pp. 304. New York: Brentano's, 1932. \$2.00.

Decidedly, there is a place for an account of prison life by the observer who may reasonably be expected to have a more

scientific and at the same time more humane attitude than any one else within prison walls. Indeed, it is one of the reviewer's pet theories that an autobiographical work representing the experiences and the attitudes characteristic of every occupation or life situation (prisoner, self-made man, drug addict, almshouse inmate, or mental case) would add enormously to our knowledge of social psychology. Many such books have been written, but up to now we have had nothing to put flesh on the dry bones of Dr. Rector's *Health and Sanitation Survey of American Prisons*.

It only remains to say that Dr. Berg has been so anxious to practice the literary art of our cheaper magazines and to write a sensational story, that *Prison Doctor* seems both less scientific and less humane than Warden Lawes' recent volume. It will, however, prove enlightening to those who are unfamiliar with the literature of prison life.

WILLIAM REX CRAWFORD

University of Pennsylvania

SCHINDLER, DIETRICH. *Verfassungsrecht und soziale Struktur.* Pp. viii, 162. Zurich: Schulthess & Company, 1932. 8 francs.

The chief merit of this little brochure is the clear way in which it indicates the manifold connections that exist between the constitutional law of any given country and the prevailing social structure of that same country. Such clarity might be attributed to the "dialectical method" which the author consistently follows, but it is more probably to be ascribed to the operation of a first-rate mind than to any method, however excellent. Allowing for differences in terminology, one could readily imagine that a Cardozo or a Holmes had written the book for the benefit of Swiss and German jurists—but mellow wisdom trenchantly expressed neither begins nor ends within our charmed circle.

HOWARD BECKER

Smith College

CALLCOTT, MARY STEVENSON, in collaboration with WATERMAN, WILLOUGHBY C. *Principles of Social Legislation.* Pp. xix,

416. New York: The Macmillan Company, 1932. \$3.00.

The principles, the history, and the present status of social legislation are sketched under the headings: Relief of Poverty, Child Welfare and Mothers' Pensions, Housing and City Planning, Public Health and Sanitation, Public Education and Public Recreation, Regulation of Public Morals, Labor Legislation, Social Insurance, and Humane Legislation. The emphasis is essentially on the present situation in the United States.

The material is drawn largely from a limited number of secondary sources, with a short Bibliography at the end of each chapter. One misses in these and in the text the more recent literature. For example, the number of county health officers in 1915 and in 1926 is given; no present figure is stated (p. 158). There is no mention of the White House Conference on Child Health and Protection of 1930 or the very valuable findings and publications of some of its committees. The latest bibliographical reference on public health is dated 1927 (p. 199). In the discussion of prohibition, there is no mention of the Wickersham Commission's report.

Philadelphia ALEXANDER FLEISHER

BURTT, HAROLD ERNEST. *Legal Psychology*. Pp. xiv, 467. New York: Prentice-Hall, 1931. \$6.00.

BARNES, HARRY ELMER. *Can Man Be Civilized?* Pp. xi, 307. New York: Brentano's, 1932. \$2.50.

NEMILOV, ANTON (Trans. by Stephanie Ofental). *The Biological Tragedy of Woman*. Pp. vii, 200. New York: Covici-Friede, 1932. \$2.50.

PATON, STEWART. *Prohibiting Minds*. Pp. xi, 198. New York: Paul B. Hoeber, Inc., 1931. \$2.00.

BERRY, RICHARD J., and GORDON, R. G. *The Mental Defective*. Pp. xiii, 225. New York: McGraw Hill Book Company, 1931. \$2.50.

THOMPSON, DOW. *A Mind That Was Different*. Pp. xiii, 117. Oklahoma City: Harlow Publishing Company, 1931.

Burt's *Legal Psychology* is far and away the most constructive and helpful of the

books reviewed in this group. Although it is restricted in scope and technical in treatment, it can be strongly recommended for the thoughtful reading of those interested in social and political welfare. As a textbook it is pleasingly eclectic, emphasizing findings and what actually works, rather than attempting to build up a philosophical system. A former student of Hugo Munsterberg, Burt draws heavily upon his pioneering investigations in the field of legal psychology; but the contents are up to date and Burt has drawn carefully upon the latest work in the field, using praiseworthy discretion in the newer work which has not been satisfactorily confirmed. The reader will be astonished by the tremendous amount of work, and good work, which has been done since Munsterberg's heyday. Psychological sources of errors in testimony, suggestion, confessions, evaluating testimony, scientific methods of detecting guilt and deception, mental responsibility, delinquency, and even trademark infringement are considered. A helpful and constructive point of view permeates the chapters on eugenics, punishment, imitation, and education.

Barnes suggests in *Can Man Be Civilized?* that the world is in a rather deplorable shape, and that the agencies usually accredited with bettering society are responsible rather than remedial. These ideas and practices which "have already destroyed several work civilizations" are now augmented, Barnes believes for the worse, by capitalism. He doubts that we know enough to preserve what progress we have made, and that if the available knowledge were distributed men in general would be able to use it profitably to civilization. Climaxing a splendid brief history of the mental hygiene movement, he sees a glimmer of hope for civilization. And from Freudian psychology, he sees that sex sanity may be restored. Education will not help unless more æsthetic training is included in the schools. Prohibition has catapulted the problems of leisure into the speak-easy. The book will stir up considerable thinking, even though it is lacking in Barnes' usual detailed documentation, and carries such overstatements as

that half of the American population falls "below the intellectual level of the dull normal type," and though the term "civilization" is given a vague and shifting connotation. Now that McDougall and Barnes, among others, have so recently and trenchantly shown the plight of things, can't they get together and make "the way out" a little more definite and constructive?

Coming from the Russian, we may look upon *The Biological Tragedy of Woman* as throwing light on the scientific background for the Soviet social programs regarding woman. In the main, this book presents merely long-known facts regarding the physiology of sex, especially the female. A biological tragedy arising from sex, which affects both sexes, he finds in the opposing forces manifested in *Homo sapiens* from the development of higher brain centers and from the development of sex organs (especially the endocrine elements) to "a degree not attained by any other living creature." In the case of woman he finds an organism "constantly balanced between physiology and pathology with a greater tendency toward the latter," which is the root of her biological tragedy. Overemphasis is probably given to physiological and psychological inequalities (as in the discussion of the periodical functions), and it is on these inequalities that he proposes, vaguely, an unequal social treatment to make the sexes socially equal.

Prohibiting Minds are something that we feel psychiatrist Paton of Johns Hopkins would like to have prohibited. As a wave of Puritanism dominated New England several generations ago, Dr. Paton finds that a wave of prohibiting is now active in such guises as anti-vivisection, Christian Science, Communism, and kindred activities; the Eighteenth Amendment is just one of many symptoms of the reaction of prohibiting minds to what he terms "civilization shock." These essays are significant for an understanding of social reform, especially since Dr. Paton's theme is that "following ridiculous and often tragic attempts to compensate for a feeling of incompetency . . . they become egotisti-

cal, autocratic, suspicious and filled with hatred for what in their hearts they recognize as successful performances in other people." The book merits wide reading, and wide reading of the book may go far to help relieve some of the unfortunate social tendencies it assays.

Two English physicians have collaborated in writing *The Mental Defective*. The book probably has its greatest value in showing the English viewpoint regarding feeble-mindedness. Mental tests, working colonies, and similar American practices in detecting and managing the mentally defective are barely mentioned. The entire book, including the illustrations, has a strong flavor of the early 1900's.

In *A Mind That was Different*, Professor Thompson gives an intimate account of the wellsprings of the introvert personality make-up from the inside. The book, which is too brief and cursory, is autobiographical. It has some generalizations which need challenging, but these generalizations probably give further insight into the introvert make-up than the author would like to admit.

DONALD A. LAIRD

Colgate University

FIELD, ALICE WITHROW. *The Protection of Women and Children in Soviet Russia*. Pp. 241. New York: E. P. Dutton and Company, Inc., 1932.

This volume has a misleading title, for it merely attempts to describe phases of the protection of women and children in Moscow—not in Russia as a whole.

The author has tried to present the theoretical and actual program in Moscow today. This covers such matters as: the legal phases of women's rights, abortion and birth control, maternity care, hostels for mother and child, the treatment of the prostitute, and the development of the child nursery or *crèche*. One valuable feature of the book is its large number of translated signs, posters, clinical charts, and certificates.

It is unfortunate that the writer did not more carefully list the institutions visited, and give references throughout. Even the

Bibliography fails to give the year of publication of any of the books or pamphlets listed.

There is considerable informative material in this book, and it gives us a clear idea of the goal towards which the best Russian practice is tending, in relation to women and children. In spite of being somewhat uncritical and pro-Soviet, the volume is a valuable addition to our growing knowledge of the experiments now being tried in Russia.

No one interested in this field will want to neglect this book.

JEROME DAVIS

Yale University

HUSSEIN, JOSEPH. *The Christian Social Manifesto*. Pp. 327. \$2.50.

SMITH, THURBER M. *The Unemployment Problem*. Pp. 218. \$2.00.

Milwaukee: The Bruce Publishing Company, 1932.

These books are among the first to appear in the proposed "Science and Culture Series," edited by Dr. Husslein.

Both Socialists and Communists have issued their manifestoes as cures for the ills of society. Quite properly, then, the supreme and authorized teachers of Christian morality, the Popes of the Catholic Church, have issued *their* manifestoes to show where the solution of the social problem lies.

These encyclicals of Leo XIII and Pius XI Dr. Husslein submits to a masterly study in his book. He points out with great clearness the solution of the vexing problem as offered by the Catholic school of economic thought. Every situation is met in a practical way and every difficulty is answered.

In his *Unemployment Problem*, Dr. Smith gives the development of the problem in earlier and later times. He asserts that a practical solution must provide for a considerable reduction of unemployment and a means of alleviating its ravages during the period of its invasion, such as stabilization of industry by an organization of the labor market.

But these he finds to be mere palliatives. The author endeavors to show conclusively that we are not striking at the root of the

evils unless we devise a more equitable *distribution* of the value among the production factors. This, he is convinced, can only be done permanently by a coöperative system in production, if possible, or at least in consumption.

We shall have to return, according to Dr. Smith, to the spirit, at least, and the principles of the unselfish, medieval guild ideals and to the justice and the charity which were then in command. Then, community benefit—not selfish individualism—governed all economic relations. When the guilds perished, the industrial revolution with its evils followed in their wake.

The author contends that consumers' coöperatives are workable. So they are. But he is not so hopeful for the coöperative system in production. I cannot agree with him entirely. The former are easier to achieve, it is true, but will our social problem be solved with 75,000 manufacturing concerns in the United States alone operating with concentrated wealth? Time will be necessary for the cure, as it was for the development of the evil.

PHILIP H. BURKETT, S.J.,

St. Joseph's College

PEFFER, NATHANIEL. *Educational Experiments in Industry*. Pp. 207. New York: The Macmillan Company, 1932. \$1.50.

The author has presented, in an interesting way, a historic background for the interpretation of modern educational efforts by and in industry. Among the different systems which are described are those in the Western Electric Company, the American Telegraph and Telephone Company, the New York Stock Exchange, the Standard Oil Company, W. F. Schrafft & Sons, and the Ford Motor Company.

The modern tendency to develop the technical institute is justified. Facts are presented which show the need for large numbers of workers trained for service on a level above that of common wage earner but below that of the engineer. It is proposed that this need should be met by the public schools in coöperation with industry.

Some of the outstanding public school

efforts in industrial education are described. In the conclusion, it is suggested that the biological demand for growth be capitalized through such types of education as are found in the Schrafft plants, which aim to overcome the devitalizing effect of modern highly specialized industrial practices.

This book should be in the library of every one concerned with the development of industrial education, whether in public or private schools or in industry.

WILLIAM C. ASH

University of Pennsylvania

SPARKS, EARL SYLVESTER (Foreword by THOMAS N. CARVER). *Agricultural Credit in the United States*. Pp. xiii, 476. New York: Thomas Y. Crowell Company, 1932. \$3.75.

The history and status of agricultural credit has needed reciting in the light of recent developments of agriculture in the United States. Dr. Sparks makes a competent job of it. He goes back to the very origins of agricultural credit and patiently and skillfully traces its development to the present manifold institutions that serve the farmer. As is to be expected, a large portion of the book is given over to the more recent contributions to agricultural credit through The Federal Farm Loan Banks and The Intermediate Credit Banks, but Dr. Sparks does not neglect the commercial banking situation with its twenty thousand small unit banks as they affect agriculture.

In consequence of his painstaking study, Dr. Sparks' conclusions are sober and in conformity with the scientific precision that he has used throughout the entire volume. At a time when it is the fashion to make rather radical recommendations, Dr. Sparks contents himself with saying that the farmer now has ample credit facilities—a conclusion with which all students of the subject must agree. Dr. Sparks cautiously expresses his disapproval of the excessive liberality of credit which has enabled the catapulting of farm prices far beyond genuine values and far beyond the capitalization of incomes from the land. The mistakes that have been made here have been dearly paid for by the rural communities.

The great amount of research put into this volume makes Dr. Sparks' contribution invaluable to every student of agriculture and finance.

BERNHARD OSTROLENK

College of the City of New York

WOOD, EDITH ELMER. *Recent Trends in American Housing*. Pp. x, 317. New York City: The Macmillan Company, 1931. \$3.00.

Doctor Wood's main thesis is that housing cannot be safely left to the ordinary economic "law" of supply and demand. We in the United States have done so to a greater extent than our European neighbors, with a high cost in crime, morbidity, and relatively higher death rate. In timely fashion, Doctor Wood calls attention to the proposal of the American Construction Council for a "ten-year nation-wide program of rebuilding slum districts" as being a more economically sound means of ending unemployment than public expenditures for roads and post offices. This suggestion is not without precedent in actual fact in postwar European history.

Doctor Wood's book has an Introduction which merits publication as a separate document. It is an admirable history of prewar housing and the development of housing standards in relation to income. She divides the United States population as of 1917 into thirds as regards housing standards, the highest third being well housed, the middle third in fair homes, and the lowest third in the old cast-offs. Since the war, the housing shortage, lack of repairs, and generally lowered standards have not improved matters except in the case of the top third, whose housing facilities have risen in quality. Home ownership in the United States has decreased steadily for decades, with an increase in mortgaged homes. Following the war the proportion of foreclosures rose, as for instance in Philadelphia, which had 737 such actions in 1920 and 11,918 in 1929. Our high rates of mortality and crime are attributed largely to our stupid individualistic housing policies.

The chief lines of postwar progress in the United States have been in relation to city and regional planning and in restrictive

legislation. California and New York lead in new ventures. We have relatively few instances of government help in the matter of home ownership, as compared with such developments as Miss Wood describes in Great Britain, Germany, France, and Holland. Full credit is given to those socially minded corporations which regard good housing as an essential to the conduct of their business. The various devices of rent restriction, tax exemption, zoning, codes, clearance, planning, projects, co-operatives, loans, and so forth, are discussed in a series of chapters.

The book is a meticulous piece of work and is valuable to the student, but should also be read by a larger public.

SIGRID W. and THOMAS D. ELIOT
Northwestern University

LANDMAN, J. H. *Human Sterilization*. Pp. vii-xviii, 3-241. New York: Macmillan, 1932. \$4.00.

This discussion of the historical, legal, eugenic, medical, and social aspects of sterilization just misses being a first-class contribution. It is strongest in treating legal points; weakest on the biological and theoretical ends. The work will be valuable for reference. As a critique it is often sound, but seldom penetrating. Well-documented, it smacks of a moderate use of first-hand sources.

Some of the criticism ventured by the author is simply immature. For instance, the author refers to Justice Holmes' admirable decision in *Buck v. Bell*, a decision which is making legal history, as "unusually platitudinous," as characterized by an "absence of citations to support its legal principles," and as lacking a "thorough understanding of the field of eugenics."

Instead of showing "the futility of sterilization," the author has shown only the futility of writing a self-contradictory, illogical treatise on sterilization that only half digests the relevant facts. If sterilization is futile as an agent of social control because it will not eliminate all defect in a few generations, it is somewhat audacious logically for the author to lay down a future program (p. 272 ff.) in which sterilization has an even more thorough application than at present; this, too, after telling us

(p. 197) that "any new program for social therapy must be held in abeyance until . . . [a] scientific basis for it is established." This is a sample of the confused thinking involved in the work under review. From the factual standpoint, however, *Human Sterilization* will prove illuminating to any one; and it should be in every social and law library in the country.

In a word, it is too bad that some severely logical and well-informed critic did not get hold of this manuscript before it went to press; for conceivably it could have been, with few changes, a genuinely respectable contribution to the subject. Its chief merit lies in the facts gathered, in its up-to-dateness, and in the good Bibliography.

NORMAN E. HIMES
Colgate University

DUNKMANN, D. KARL (Ed.). *Lehrbuch der Soziologie und Sozialphilosophie*. Pp. viii, 486. Berlin: Junker und Dünnhaupt, 1931. Paper covers, RM 19.50, bound RM 22.50.

Although this volume is called a *Lehrbuch*, the closest German equivalent to our term "textbook," the prospective reader should be warned in advance that he will be confronted by heavy artillery, not by popguns. For example, the sequence of chapters is determined by logical rather than pedagogical considerations, with the consequence that the difficult epistemological material—more difficult than anything else in the book—comes first. The reviewer is of the opinion, however, that this is an advantage rather than the reverse. "If you wash a cat, it never will be clean, but if you throw it in a mudhole it will lick itself clean." We do not think merely because we are exhorted to think; difficulty, confusion, and doubt are the prerequisites of real intellectual mastery—although parroto-like recitations can be achieved more readily.

So much for form; now for content. Although the reviewer does not feel that sociology can effectively cut so wide a swath as that attempted here, it cannot be gainsaid that Lehmann, Sauermann, and Dunkmann have made a manful effort. Particularly valuable is Part III, Sociology of

Culture. The sections on the sociology of knowledge, of economics, and of religion are especially noteworthy. Moreover, excellent bibliographies are appended to all sections; this feature alone makes the book a virtual necessity to every one interested in German sociology.

If fault is to be found, the most obvious flaw is in the failure to assess properly the foreign literature, especially the American. After all, Giddings, Ellwood, and Ross are not the only American sociologists who have made contributions worthy of European attention. Another deficiency is the meager space granted to presentation of the theories of other German sociologists: von Wiese, Weber, Scheler, and Thurnwald might rightfully complain of academic exclusiveness, if not of jealousy.

Nevertheless, the volume should find a place on the shelves of every one interested in the international aspects of sociology. Only when our science becomes as sharply separated from national idiosyncrasies as is geology, for example, can it be called a science in the full sense of that much abused term, and books like this afford valuable opportunities for rubbing off our own rough edges and splinters.

HOWARD BECKER

Smith College

THURNWALD, RICHARD. *Die Menschliche Gesellschaft in ihren ethnosozologischen Grundlagen*. Vol. II. Pp. 360. Berlin and Leipzig: Walter de Gruyter & Company, 1932.

This is the second volume of the five-volume work undertaken by Professor Thurnwald. The first volume, which I reviewed in *THE ANNALS* a year ago [September 1931], was a descriptive analysis of social organization and social life in general among primitive peoples. The special institution of the family, together with kinship and unions (*Bunden*), is treated in this volume. Their structure, relationships, and main types, and their modifications and transformations and the factors involved in these changes are discussed. Among other topics, Professor Thurnwald vividly describes the chief forms of the primitive family; the status of women; the relations between the sexes;

marriage; divorce; inheritance; the position of the father, mother, and children; age groups; and secret societies and associations among different classes in primitive society. All these problems are given a searching analysis.

The second volume maintains the high scientific standard of the first, and will be indispensable to every competent sociologist and anthropologist dealing with preliterate societies and the institution of the family.

PITIRIM A. SOROKIN

Harvard University

GINI, CORRADO, MARCELLO BOLDRINI, LUIGI DE BERARDINIS, and GAETANO ZINGALI. *Demografia: antropometria-statistica sanitaria-dinamica delle popolazioni*. Pp. 735. Torino: Unione tipografico-editrice Torinese, 1930. 100 Italian lira.

If I were choosing, among all the books on population problems in European and American literature, a single text for a well-rounded and thorough course in the subject, I would choose this. There are a number of monographs in the field of demography which are as good as this so far as their own special subjects are concerned; some of them are even better. Scarcely any other one volume, however, covers all the important subdivisions of the field so well and so thoroughly.

Within the limits of a short review no detailed account of even the main topics discussed in this substantial quarto is possible. It is enough to say that not a single important population problem is either omitted or treated in the superficial style of the ordinary textbook. Each is the subject of a concisely written report based on research; and an immense quantity of statistical and historical facts is furnished about each.

Although one may not agree with any particular hypothesis or theory, one always feels the authors' competence, their deep grasp of problems in demography, their impartial scholarship when dealing with theories other than their own. To sum up, this book is not only an indispensable reference source and a compendium of present-day knowledge about population

problems; it is also a stimulating guide to the subject and a real contribution to the science of demographic sociology. Other good one-volume treatises in this field exist, but the work by Gini and his collaborators is far superior to most of them.

PITIRIM A. SOROKIN

Harvard University

JANSON, FLORENCE E. *The Background of Swedish Immigration*. Pp. xi, 517. Chicago: University of Chicago Press, 1931. \$5.00.

Dr. Janson's volume in reality is an economic and social history of Sweden for the years 1840-1930, especially as it is related to emigration. The Swedes, as was the case with other peoples, emigrated for economic reasons, though social, religious, and political conditions constituted minor expelling forces. The prepaid passage, the agent from America, steamship publicity, and especially that "most penetrating publicity about the new world . . . the numerous letters from friends and relatives" also contributed.

The book is particularly significant for the following points:

First: The evidence presented tends to contradict the theory—often glorified into a proven fact—that emigration does not have a permanent influence, one way or the other, upon the rate of population growth. *Second:* This study also brings out the fact that migration takes place from the *less densely* settled areas. This fact, often ignored, is important in that it brings out the true nature of migration as being a part of the general movement of population toward the industrial centers. *Third:* The volume also shows that Sweden was desirous, as were other European countries, to keep its population at home. These countries discouraged and in cases prohibited emigration, inflicting severe penalties for violation. It was chiefly the representative from the United States who entered these countries, pried doors open, insisted upon the right to migrate, and induced the people to leave their homes.

This is a beautiful story, simply, directly, and objectively told. The book is comprehensive, sound, thoroughly documented

from original sources and case histories, and has an excellent Bibliography.

CONSTANTINE PANUNZIO

University of California

VAN VLECK, WILLIAM C. *The Administrative Control of Aliens*. Pp. ix, 260. New York: The Commonwealth Fund, 1932. \$3.00.

The Commonwealth Fund is to be congratulated for sponsoring this, the latest published study of an administrative governmental agency. Dean Van Vleck's analysis of five hundred cases of immigrant exclusion and of an equal number of cases of deportation, together with his critical appraisal of the legal provisions under which the Bureau of Immigration operates, shows his technical competence as an investigator, and a social point of view which recognizes the interrelated but often conflicting interests of native and alien. Blundering incompetence and callous injustice are illustrated time and again by specific citations; yet credit for efficiency under such severe handicaps as insufficient funds, inadequate personnel, and ill-considered legislation is neither withheld nor minimized when due.

Congress would do well to recognize Dean Van Vleck's recommendations—based not on legal philosophy nor on nationalistic drum thumping, but on competent observation of the Bureau of Immigration in action—and strengthen the boards of special inquiry, give statutory authority to the Board of Review, grant the right to judicial hearings in claims to citizenship, substitute a judicial process for the present administrative process in expulsions, improve the administrative process necessary in expulsion, and check the administrative tendency to usurp legislative functions by stretched interpretations of the statutes.

DONALD YOUNG

University of Pennsylvania

FINER, HERMAN. *The Theory and Practice of Modern Government*. 2 Vols. Pp. xvi, 740, and vii, 815. New York: Lincoln MacVeagh, The Dial Press, 1932. \$12.00.

The Theory and Practice of Modern Government by Dr. Herman Finer, Lecturer in Public Administration at the London

School of Economics, is a solid and in many ways a distinct contribution to the literature of political science. As the title implies, the work primarily relates to present-day forms of government, and is further limited in scope by a concentrated study of those evidenced in Great Britain, France, Germany, and the United States. As a further restriction, emphasis is placed upon national rather than local activity and upon legislative and executive functions, the latter in the narrower sense, rather than judicial. Unlike Bryce's *Modern Democracies* and the works of Lowell, Ogg, Munro, and others that are concerned with the governments in Europe and England, Finer's study is topical rather than geographical in its treatment of institutions. At no point, therefore, does the reader secure any very complete picture of the functioning of any one of these governments. Nevertheless, by placing the institutions of these four great democracies in juxtaposition, and by means of the resulting analysis through the process of contrast and comparison, a basis for clean-cut generalization is secured—certainly one of the most valuable features of the book.

This treatise comprehends the following main headings: The Dynamic Forces, the Conditions of State Activity, the Elements of Organization, the Sovereign Majority, Parliament, the Executive, and the Civil Service. Under the first are thought-provoking chapters upon government and the state and politics and economics; thereupon ensues a discussion of state activity in which, among other things, the fact is stressed that in spite of its superiority in area, age, futurity, and order, the state has no intrinsic advantage over other social groupings; after this comes an analysis of democratic forms of government, followed by that of the organization of the electorate for the purpose of expressing the sovereign will; finally, there is presented an extended treatment of the problems involved in the processes of lawmaking and law execution.

Finer's view of the state is subjective and impregnated with sociological conceptions. While it is a territorial association in which social and individual forces of every kind struggle to control its govern-

ment, one must realize that it is a creation in the mind of each individual and that there are, therefore, as many "states" as people. Government in harmony with this idea is nothing more than the manager of that supply of authority which is necessary to support the reciprocal claims of social groups. As to state aims or purposes, it is dangerous to postulate such except in the case of an individual state for a limited period, although in general it may be said that the conversation of social energy is perhaps the most important function.

The lack of proper qualifications on the part of legislators in carrying on the work of present-day government is an appalling phenomenon. "It is a crass and devastating ignorance, a terrible ignorance, an ignorance incredible until one comes up against it personally" (p. 877). To overcome this defect, various agencies have been erected, such as economic councils and parliamentary commissions, with the necessary expertness for the creation of law. "We may conclude that were it not for these agencies parliamentarianism would be entirely incompetent to the tasks assumed by the modern state" (p. 777).

While repudiating both Bolshevism and Fascism, the book ends in a deep misgiving as to the worth of the principles actually applied in modern democratic government and as the survival of its machinery.

LAWRENCE H. GIPSON

Lehigh University

WRIGHT, BENJAMIN F., JR. *American Interpretations of Natural Law*. Pp. x, 360. Cambridge, Mass.: Harvard University Press, 1931. \$3.50.

Professor Wright's last word is that "natural law, in its essence, is the attempt to solve the insolvable." And that, indeed, it is. It is the projected validation of an "Ought," itself the sanctification of a wish. The validation is procured by the mere attachment of the concepts "natural" or "divine."

In early New England, "divine law" was the potent thing. But as religion lost its grip, "natural" became the word of spell. Natural law and more especially natural rights were fine sanctions for the human

wants which motivated the colonial revolutionists. But the doctrine of natural rights was equally convenient for the abolitionists—and for suffragettes. And when the pro-slavery men defended their case by natural law, the term “natural” was bound to fall into disrepute. Besides, there was little need for it, politically, after the Civil War. But it was taken over and cherished by the judiciary, though with a new terminology; e.g., freedom of contract, due process of law, and so forth.

The point has been made—and is given qualified approval by Wright—that the concept of natural law has been and is a good tool, inasmuch as it distinguishes an “Ought,” or “Ideal,” from the “Is.” But surely freedom from the shackles of “Isness” does not presuppose hallucinations.

L. M. PAPE

University of Chicago

BRUCE, HAROLD R. *American Parties and Politics*. Pp. vi, 589. New York: Henry Holt and Company, 1932. \$3.75; Students' Edition, \$3.00.

This is a revision of a textbook first published in 1927. The new edition involved a complete rewriting and such additions as to make it considerably larger than the earlier one. The new material not only brings the story of party government up to date but also shows a wide and accurate acquaintance with recent literature. The maps illustrating presidential elections are much improved and the text is made more teachable by the inclusion of charts and other material dealing with the organization and the tactics of our parties. Though written with considerable vividness, the book is not open to the charge of mere impressionism. It should be a very usable text for undergraduates.

LANE W. LANCASTER

University of Nebraska

JACOBSON, J. MARK. *The Development of American Political Thought*. Pp. 723. New York: The Century Company, 1932. \$5.00.

This book is an attempt to combine in one volume an exposition of the development of thinking about politics in the

United States and illustrations from the sources. Each group of documents is prefaced by a discussion of the background of the theories later set forth, and a brief analysis of these theories. The author's own comments fill about one third of the book. The chapter headings—Puritanism, The American Revolution, Federalism, Democracy, Slavery, Particularism versus Nationalism, Government and Economic Institutions, and America Comes of Age—indicate a rather conventional treatment of the development of American political theory. No one, it seems to the reviewer, could quarrel with Mr. Jacobson's choice of documents, though doubtless no two persons would make the same choice. So long as political theory is taught, as it generally is, largely through reading the words of commentators and sampling the sources, this sort of book is a worth-while adjunct to the business.

LANE W. LANCASTER

University of Nebraska

FRIEDRICH, CARL JOACHIM, and COLE, TAYLOR. *Responsible Bureaucracy: A Study of the Swiss Civil Service*. Pp. xvi, 95. Cambridge, Mass.: Harvard University Press, 1932.

This is a rather uneven study of a very interesting subject—responsible bureaucracy. Whether the system that has been built up in this compact and peculiarly fortunate little country can be ingrafted on a big country like America is perhaps an academic question and is not the subject our authors discuss; but it is one that constantly occurs as one passes from page to page and reads how the principle of self-government within each branch of the service is gradually being established, while public opinion and interests are protected. Generally speaking, it would seem that the civil servants in the large public services of Switzerland are desirous of being self-respecting fellows in a common enterprise, and not cogs in a machine directed by superimposed government. This is one of the “Studies in Political Science and Government” prepared under the direction of Professor Friedrich of Harvard.

CLINTON ROGERS WOODRUFF

Philadelphia

FUESS, CLAUDE MOORE. *Carl Schurz: Reformer*. Pp. xiii, 421. New York: Dodd, Mead & Company, 1932. \$3.75.

Carl Schurz has been variously described as "militant liberal" and as "reformer." He was both and something more. He was teacher, major general in the Civil War, United States Senator from Missouri, Secretary of the Interior in President Hayes' Cabinet, editor, orator, president of the National Civil Service Reform League, and easily the representative German-American of his time. His was an unusually full and useful life. At all times he had the courage of his convictions and manifested an intense desire to improve conditions. One of the Revolutionary party in the land of his birth, he managed eventually to leave for America, there to lead a life of extraordinary variety and, on the whole, of real usefulness. He was a born publicist and controversialist and never seemed to be more at home than when in a vigorous fight for what he believed to be the right course. By nature he was romantic and poetic, always deeply interested in the fine arts. Animated by cheerfulness, he was sustained by temperamental optimism; moreover, experience (and he had a varied one) equipped him with philosophic calm which, combined with a sustained self-confidence, reconciled him to temporary failure. As his present biographer points out, "even defeat could not compel him to admit that he had been wrong. His air of assurance was annoying to men of less firmly established principles. . . . He was affected very little by personal considerations."

In addition to the general activities already mentioned, Schurz worked for justice to the Indian and the Negro, for conservation as we now know it, for international peace, for clean government, and above all, for the reform of the civil service.

Professor Fuess has given us an adequate biography. He does full justice to the romantic side of Schurz's extraordinary career, and while at all times friendly, he does not write as a partisan. It is an ampler biography than Joseph Schafer's, recently noticed in this department, and may appropriately be considered authoritative. An excellent se-

lected bibliography adds to its value.

CLINTON ROGERS WOODRUFF

Philadelphia

DENISON, J. H. *Emotional Currents in American History*. Pp. xvi, 420. New York and London: Charles Scribner's Sons, 1932. \$5.00.

It would be worth while to assemble the evidence against the hypothesis of economic determinism. The followers of Karl Marx have set up a structure in which history depends so wholly upon material things as to make humans as unreal as the old economic man. Yet what is characteristic of civilization, perhaps, is less the admitted necessity to eat three times a day than the frequency with which man willingly endangers those three meals for an ideal or an emotion. This book, a treatise on these matters, deals with emotional dynamics and traverses much of the familiar story of American history. It is highly oratorical and colloquial, and contains so much half-recollection and slipshod statement as to endanger its conclusions.

No historian will deny the high potency of emotional current, or challenge the power of ideals in the history of the United States. But any one who interprets American history ought to know that Douglas was not Speaker of the House (p. 84); that Johnson did not (and could not) veto the Fourteenth Amendment (p. 144); that the Senate did not ratify the annexation of Hawaii (p. 239); that the Dred Scott decision did not make it law that slavery could be introduced into the territories against the vote of the people (p. 88); that there was no election in 1863 (p. 133); that it was not Conkling who spoke of a "turkey gobbler strut" (p. 185); and that in 1916 Roosevelt wanted the nomination for himself and not for General Wood (p. 273). The author quotes inaccurately the last annual message of Buchanan (p. 99) and Bryan's cross-of-gold speech (p. 200), and even slips the fatal word "free" into the Declaration of Independence (p. 108). There is grave reason to doubt the actuality of "the quiet revolution that freed America from the despotism of the plutocrat" (p. 226).

FREDERIC L. PAXSON

University of Wisconsin

WOOLF, L. *After the Deluge: a Study of Communal Psychology*. Vol. I. Pp. xv, 347. New York: Harcourt, Brace and Company, 1931. \$3.50.

Shaken intolerably by the World War, Woolf has set about to ascertain the causes of his shaking. He has waited in vain for the historian to do the job; the historian is not also a communal psychologist, and Woolf is sure that the War must be understood in such terms. Unlike a catastrophe with natural causes, and unlike the downfall of the Roman Empire, which was caused by acts of men but blind acts, the Great War had its origin in ideas: "The War would never have begun had not certain human beings thought certain thoughts, desired certain ends, and willed certain acts." It might have ended at any time . . . by a change in human thoughts, desires, or wills."

In this first volume, the author deals only with political considerations up to the nineteenth century—economics and nineteenth-century politics are for later volumes. The locus of his attention here is the democratic ideal—the revolutionary idea that all men have an equal right to happiness. His chief point is that unfortunately "the early democrats did not see that political democracy is not necessarily accompanied by civil liberty"; and a neo-authoritarianism inimical to liberty has sprung up.

Woolf has not slighted his promise to do history, nor has he written superficially. Yet he is obviously polemical. And his analysis fails to do justice to the neo-authoritarianism. Liberty is but one side, not the whole, of democracy. It tends to turn into an abstract liberty whereby the few alone are truly free. Consequently it is restrained by democracy, in the name of social justice, even while it is fostered. To identify democracy and liberty is to necessitate a fresh pleading for democracy.

L. M. PAPE

University of Chicago

MALAPARTE, CURZIO (Trans. by Sylvia Saunders). *Coup d'Etat: The Technique of Revolution*. Pp. 251. New York: E. P. Dutton & Company, Inc., 1932.

This little volume on revolutions presents

a series of interesting pictures on the new method of overthrowing existing governments. It includes the story of the Bolshevik coup d'état in Russia, of the seizure of power by Primo de Rivera in Spain, of Pilsudski in Poland, and of Mussolini and the Fascisti in Italy. Side by side with accounts of these are the records of failure in the Trotsky versus Stalin struggle, of the experience in Poland in 1920, of the Kapp Putsch in Germany, and a chapter each on Bonaparte and Hitler. According to the author, who personally saw many of Europe's postwar insurrections, the old Napoleonic manner of the coup d'état is dead, its place having been taken by the Marxian technique for the first time definitely applied by Trotsky in the Bolshevik coup d'état against Kerenski.

The chapters on the Russian situation are of particular interest because of the acceptance by the Communists the world over of the peculiar technique set up by Trotsky. Indeed, according to the author, a course on revolutionary tactics and strategy is a part of the instruction in a number of universities of Russia.

Contrary to the usual conception of the Bolshevik revolution in 1917, it was not the use of the proletariat masses but the efficient employment of small groups of men, technicians rather than soldiers, who for many days before the actual coup d'état studied all the technical services, such as telephone and telegraph offices, the port, gas works, and water mains, and then at the appointed hour seized control. The great crowds surging continuously along the Nevski Prospect not only did not participate but were entirely ignorant of what had happened. Even the government—the legislative, political and administrative bodies—was left unmolested and continued in Kerenski's hand. He was still the head of the government; but the public services and the railways, the electric plants, the telephone and telegraph and post offices, the state bank, and the coal, petroleum, and grain depots were in other hands. The government had simply been cut off from the rest of Russia; all means of communication were in the hands of the Bolsheviks. Not until the following day, and then largely to convince the Central

Committee, did Antonov Ovesinenko, at the command of Trotsky, give the order to attack the winter palace.

Of equal interest is the author's contention that Stalin's victory over Trotsky was due very largely to the adoption by the former of Trotsky's own methods.

WILLIAM E. LINGELBACH

University of Pennsylvania

MOWAT, R. B. *International Relations*. Pp. vii, 180. New York: The Macmillan Company, 1931. 90 cents.

There is room for all kinds and sizes of books on international relations. This is a small one with a high proportion of useful comment. The author is Professor of History in the University of Bristol, England, and his emphasis is upon the historical aspects of the subject. Yet in the series of condensed essays which form his eighteen chapters, he manages to work in a considerable amount of analysis of present conditions.

Nationalism he finds to be the result of the Wars of Religion, and not until it became self-conscious, in the sixteenth century, was an international system possible. While nationalism developed the standing army, it paralleled this development by that of diplomacy, upon which the author looks with a more benevolent eye than its critics. Diplomacy's function is to prevent war, and the figures for the last four centuries indicate its success: 86 years of war in the sixteenth century; 63 in the next; 39 in the next; and 22 in the nineteenth century.

A few sentences should be insisted upon: "States go to war for interests which they believe it their duty to defend. No peace-scheme has a chance of success unless it takes account of this essential fact. . . . To regard war merely as something stupid and irrational is to divert attention from the only way in which it can be successfully attacked."

Certain statements in regard to American affairs on pages 87 and 174 could be revised in the interests of accuracy.

HENRY KITTREDGE NORTON

Ossining, N. Y.

MALLORY, WALTER H. (Ed.). *Political Handbook of the World, 1932*. Pp. 200. New York: Harper & Bros., 1932. \$2.50.

This is the annual revision of the valuable reference work published by the New York Council on Foreign Relations. It shows, as of January 1, 1932, the changes which have taken place in the executive and legislative branches of the governments of sixty-three countries. The need for the revision is indicated in the fact that changes of more or less significance took place in fifty-five countries. Some represent the normal shifts due to regular elections; others, changes in Cabinet composition resulting from the operation of the parliamentary system; while some are due to revolution. The materials on the League of Nations are expanded to include information on mandated territories, as well as revised to show modifications of organization and changes in personnel. The usual information as to party programs and leadership and as to the press is included.

HAROLD M. VINACKE

University of Cincinnati

LIPPMANN, WALTER, and SCROGGS, WILLIAM O. *The United States in World Affairs, 1931*. Pp. xv, 375. New York and London: Harper and Brothers, 1932. \$3.00.

This is the first volume of a series which the Council on Foreign Relations proposes to publish annually giving an account of American foreign relations during the preceding year. The Council has already published four volumes dealing in comprehensive manner with American foreign affairs, as well as a number of volumes devoted to the specialized study of particular problems. In attempting "a continuing history of events written from a vantage point somewhere between that of the historians who work at their leisure and of daily journalists who work under the pressure of immediacy," the Council hopes to bridge the gap between the past as recorded and interpreted by historians and the present as recorded and interpreted in newspapers, official documents, and other immediately available accounts.

The volume under review, which covers

from the beginning of the Third Session of the Seventy-first Congress on December 1, 1930 to the beginning of the First Session of the Seventy-second Congress on December 7, 1931, records in admirable fashion the leading events for the period covered. The world-wide depression, with all its vast social, economic, and political consequences, constitutes its central theme. In the opening chapter Mr. Lippmann, who penned the pages of the volume, traces the prevailing American views of the depression, showing how it was at first regarded as a temporary and isolated phenomenon, and later as a result of major economic maladjustments whose causes lay outside the United States and whose remedy called for international action. In this connection the decline in production, prices, curtailment of trade, abnormal gold movements, unbalanced national budgets, political disturbances and revolutions, and the various attempts at economic stabilization are among the events especially emphasized.

Mr. Lippmann shows how the depression nearly wrecked the capitalist system in Austria and Germany and how this in turn was primarily responsible for the debt moratorium. The British crisis which ended temporarily at least in the suspension of the gold standard, and the American crisis which preceded the Hoover-Laval conversations are next reviewed. The two last chapters (there are fourteen in all) deal with America's collaboration with Europe in the matter of armaments, and with the Manchurian affair.

Several appendices, including a chronology of important events affecting American foreign relations for the year 1931, President Hoover's proposal for a moratorium, the text of the Hoover-Laval statement of October 25, 1931, and of the Stimson-Grandi statement of November 1931, add to the value of the book. A lengthy and carefully selected Bibliography contains titles of works which supply a broad background for an understanding of contemporary developments, source materials, and a list of periodicals and regularly published official and unofficial reports and bulletins.

No event of any importance has escaped

Mr. Scroggs, who collected the material out of which the book was fashioned. This excellent volume, which sets a high standard for the series, should be widely read.

HARRY J. CARMAN

Columbia University

WRIGHT, PHILIP G. *The Cuban Situation and Our Treaty Relations*. Pp. xiv, 207. Washington: The Brookings Institution, 1931. \$2.50.

This small volume is a valuable contribution to organized information on the important subject of United States-Cuban relations. "The study is confined in the main to the development of the sugar industry, the part which our treaty relations have played in this development, and its bearing upon Cuban industry and trade. Other factors, some of them of great importance in themselves, notably the political situation and the banking situation, are touched upon only so far as is necessary to afford an adequate setting to the main theme."

The work consists of seven chapters dealing with American intervention in 1898, our treaty relations, the growth of the sugar industry, the effect of our treaty relations and sugar upon Cuba's other industries and Cuba's imports. The appendices contain an important statement of Secretary Root's, the Platt Amendment, and a Reciprocity Convention between the United States and Cuba.

The final chapter of the work presents several conclusions apparently well supported by the previous narrative: "The United States exacted the right of intervention and granted reciprocity. . . . The Reciprocity Treaty was of distinct benefit to Cuba in its early years. . . . So far as sugar is concerned the Reciprocity Treaty is now little more than a nominal concession. . . . The Permanent Treaty has operated to draw American capital to Cuba and to preserve order. . . . The growth of the sugar industry has tended to paralyze growth in other industries [and] . . . has entailed serious social consequences for the Cuban people. . . . No strong economic reason is afforded by the evidence for the repeal of the Reciprocity Treaty at this

time. . . . Judgment as to the continuance of the Permanent Treaty rests mainly on an appraisal of spiritual values."

J. FRED RIPPY

Duke University

CALLAHAN, JAMES MORTON. *American Foreign Policy in Mexican Relations*. Pp. x, 644. New York: Macmillan, 1932. \$4.00.

The relations between the United States and Mexico have naturally aroused much interest during the last twenty years. During this period many books and monographs dealing with special phases of the subject have appeared, and in 1926 the writer of the present review published the first general survey of their relations, a large volume which appeared in revised edition five years later. In the laborious task of preparing this work the various monographs of Professor Callahan were found most helpful.

In the volume now under review, Professor Callahan presents another general survey—somewhat more extensive in scope—of United States-Mexican relations. His narrative is based upon a thorough examination of the materials in the archives of the State Department at Washington, to which he has had access down to the year 1906. He has not, however, consulted many Mexican published works nor the Mexican archives nor the rich materials in the British Public Records Office.

Although the perusal of Mexican and British sources may conceivably yield new facts and lead to some modifications of interpretation, it is probable that the story told by Professor Callahan will not be greatly altered. He has produced a thorough and reliable volume, based upon long and careful research.

Professor Callahan has found and presented a good many new facts, some of them rather significant, but none at all startling. In this respect perhaps Chapters I (Historical Background: Early American Interests, and Recognition), XII (Adjustments of the Díaz Era in Mexico), XIII (The American Economic Invasion of Mexico), and XV (The Latest Decade of Adjustment) make the most important contributions.

The narrative is by no means light reading, and there are several errors in the spelling and accent of Spanish words. The volume contains four valuable maps but no bibliography.

J. FRED RIPPY

Duke University

FRANK, WALDO. *America Hispana*. Pp. xviii, 388. New York and London: Charles Scribner's Sons, 1931. \$3.50.

In this volume one finds history, description, philosophy, fantasy, and mysticism expressed in a literary style far above the average. The history is not always accurate in detail, but in broad outline it usually rings true. For instance, Bolívar himself did not invite the United States to attend the Panama Congress, but the United States was nevertheless invited to attend; Bolívar's vision of a united America probably did not include the United States and Brazil; Bolívar himself did not invite the United States to come down and build the canal—he looked to England for the construction of this work; Chile's Constitution of 1833 is not still in force in the Republic, but it did remain in force until 1925; the extent of forest in Brazil is exaggerated, but it is nevertheless very vast; in Mexico there were not fewer schools under Díaz than under Juárez, but it remains true that Díaz did not sufficiently stress public education; the Panama treaty of 1926, giving the United States larger control over that Republic, has not yet been ratified, but the influence of the United States over Panama is gradually expanding.

Frank's description is excellent. It would be difficult to find anywhere more vivid portrayals of mountains, forests, rivers, towns, cities, and individuals. The portraits of Bolívar, San Martín, Irigoyen, and Leguía are especially valuable.

The present reviewer does not feel competent to pass upon Frank's fantasies, philosophy, and mysticism. Apparently he is to be classed with the liberals and the æsthetic naturalists in philosophy and religion. The theme of all his historical writings is the need for a "sense of wholeness." He believes that the Western World is in chaos and is moving toward destruc-

tion, because of anarchic individualism—because of the absence of a great unifying ideal. He harks back to the unity of the Middle Ages, but he recognizes that our unity must be more intellectual—must rest upon a somewhat different base. It is all very interesting—and perhaps true; all set forth in a most attractive style which sent the present reviewer back to the philosophers.

In Hispanic America Frank was received as a great philosopher and perhaps even as a prophet. Something of the psychology and the aspirations of these people may therefore be visualized by a careful examination of Frank's *Our America*, *Virgin Spain*, and *The Rediscovery of America*. Thus, from two angles our philosopher and mystic throws light upon our neighbors to the south.

J. FRED RIPPY

Duke University

FETTER, FRANK WHITSON. *Monetary Inflation in Chile*. Pp. xiii, 213. Princeton: Princeton University Press, 1931. \$2.50.

This book on Chilean finance is the third volume of a series appearing under the auspices of the Walker Foundation, of which Dr. Edwin W. Kemmerer is Director of Research. The author is Assistant Professor of Economics at Princeton University and was secretary to the chairman (Dr. Kemmerer) of financial advisers to Chile in 1925.

The Republic of Chile was on a paper money régime from 1878 to the opening of the Central Bank in 1926. This volume shows that Chile was mistaken in believing that her gold supply during the period 1878-1926 was insufficient for the redemption of her bank notes, and that her inflationary experiences of that half-century were largely due to a fanatical worship of gold, and especially due to loose banking practices. Chilean legislators refused to recognize the follies of fiat money, although government was stable and peace prevailed. Efforts to prevent depreciation of the currency, exchange fluctuations, and price changes were futile. Monetary inflation prevailed until the adoption of the gold standard in 1926.

This volume deserves high commendation. It is a thoroughgoing analysis of the economic and political factors underlying Chile's costly experiment with excessive paper money issues. It serves to corroborate the well-known economic principle that "governments cannot manufacture capital by printing presses." Chile experienced one of the longest unjustified paper money régimes in financial history. Analysis of her experience is especially valuable because the monetary problems of other South American republics are of vital importance and scant attention has been paid to them up to the present. It is unfortunate that this well-written discussion, because of its strictly scientific character, will not do more to rid the ordinary citizen of his fanatical and foolish ideas of cheap money.

HARRY T. COLLINGS

University of Pennsylvania

HERMANOS, PARRA LEON. *Archivo del General Miranda. Revolución Francesa. Comunicaciones oficiales 1792-1793. Tomo IX, Tomo X*. (The Personal Papers of General Miranda. Official reports dealing with the French Revolution. Volumes IX and X.) Caracas, Venezuela: Editorial Sur-America, 1931.

These two volumes continue the memoirs, correspondence, and official papers of General Francisco de Miranda, the "precursor of South American independence." The first six volumes of the series were reviewed in THE ANNALS of the American Academy of Political and Social Science in September 1931 (p. 249), and Volumes VII and VIII in the same publication for January 1932 (p. 171).

In April 1792 Miranda was in Paris. He distinguished himself for military prowess during the French Revolution, under General Doumouriez, and hence was intrusted with the siege of Maestricht in 1793. Later he commanded the left wing of the French Army at Neerwinden.

Volumes IX and X contain the official military orders and reports of those campaigns. They are written in French and are strictly impersonal.

HARRY T. COLLINGS

University of Pennsylvania

URIBE, ANTONIO JOSÉ. *Colombia y los Estados Unidos de America*. Pp. 442. Bogota, Colombia: Libreria Colombiana de Camacho Roldan & Cia, 1931. \$4.00.

This volume brings together in one book all the official papers and much of the official discussion dealing with the diplomacy of the Panama Canal incident. Dr. Uribe has been Minister of Foreign Affairs in Colombia, Minister of Education, and long in its diplomatic service. He is an authority in international law.

The preface states that the volume presents a "last word in homage to Truth and Justice, and to the nations principally interested." The volume is especially valuable as a source book of information on the Colombian side of the Canal controversy; it presents information which is nowhere else available in such fullness. Debates in the Colombian Congress regarding our treaties with Colombia in 1903 and 1914, and also with reference to the payment by the United States of \$25,000,000 from 1921-1926 fill many pages in the latter half of the book and bring new light on the Colombia side of the settlement. One hundred pages of appendices present in Spanish the text of many treaties, from the United States-Colombia one of 1846 to the Cortés-Arosmena treaty of 1909, between Colombia and Panama. Naturally the book presents the Colombian side of the diplomatic controversy in as favorable light as possible.

HARRY T. COLLINGS

University of Pennsylvania

ELLIOTT, W. Y. *The New British Empire*. Pp. xvi, 519. New York and London: Whittlesey House, McGraw-Hill Co., 1932. \$5.00.

Professor Elliott presents a bold and simple thesis: The new British Empire is in essence a counter-reformation of capitalism against the socialist revolt led by the new Russia. But in the working out of the thesis, there is no superficial simplification. The author bravely recognizes the complexities and confusing cross currents of the new empire, and with industry and success unfolds a panorama of empire not as he would perhaps like to see it in verification of his

thesis, but as his training and studies reveal it to him.

The result is a scholarly book in the best sense. There is a firm grip on facts; an attitude sympathetic, yet reasonably free from bias; a style of rich and colorful intimacy; and a learning that is not presented by rote but diffused agreeably from a mind illumined by exact and yet extensive knowledge. There are maps, valuable documentary appendices, and a frontispiece in color showing the royal coat of arms of the Empire.

The frankly expressed opinions are refreshing and, as is the manner of opinions, at times provocative. Those who are still inclined toward ideas of economic determinism (and such old-fashioned ideas are again encountered now and then since 1929) are not likely to accept the author's optimism concerning the adequacy of the sources of strength which are expected to enable the new empire to play its Herculean rôle against the new Russia.

WITT BOWDEN

Washington, D. C.

VON ECKHARDT, HANS. (Trans. by CATHERINE ALLISON PHILLIPS). *Russia*. Pp. xxix, 711. New York: Alfred A. Knopf, 1932. \$7.50.

DERETCHIN, JOSEPH. *Russia and the Brigand*. Pp. 121. Boston: The Christopher Publishing House, 1932. \$1.75.

HOPPER, BRUCE. *Pan-Sovietism*. Pp. xiii, 288. Boston and New York: Houghton Mifflin Company, 1931. \$2.50.

OSSINSKY-BOLENSKY, V. V.; RONIN, S. L.; GAYSTER, A.; and KRAVAL, J. A. *Social Economic Planning in the Union of Soviet Socialist Republics*. Pp. 168. Issued by the International Industrial Relations Association, The Hague, Holland. New York, Room 600, 130 East 22nd St. 1931.

KINGSBURY, SUSAN M., and FAIRCHILD, MILDRED. *Employment and Unemployment in Pre-War and Soviet Russia*. Pp. 132. Issued by the International Industrial Relations Association, The Hague, Holland. New York, Room 600, 130 East 22nd St. 1931.

CHAMBERLIN, WM. HENRY. *The Soviet Planned Economic Order*. Pp. vii, 258. Boston: World Peace Foundation, 1931. \$2.50.

RUKEYSER, WALTER ARNOLD. *Working for the Soviets*. Pp. xvi, 286. New York: Covici-Friede, 1932. \$3.00.

LONG, RAY. *An Editor Looks at Russia*. Pp. ix, 114. New York: Ray Long and Richard R. Smith, Inc., 1931. \$1.00.

CHESTERTON, MRS. CECIL. *My Russian Venture*. Pp. 283. Philadelphia: J. B. Lippincott, 1931. \$2.50.

DARLING, JAY N. *Ding Goes to Russia*. Pp. ix, 195. New York and London: Whittlesey House, McGraw-Hill Book Company, Inc., 1932. \$2.50.

BUEHLER, E. C.; MAXWELL, B. W.; and PFLAUM, GEORGE R. R. *Recognition of Soviet Russia*. Pp. 387. New York: The H. W. Wilson Company, 1931. \$2.40.

COUNTS, GEORGE S.; VILLARI, LUIGI; RORTY, MALCOLM C.; and BAKER, NEWTON D. *Bolshevism, Fascism and Capitalism*. Pp. 274. New Haven: Yale University Press, 1932. \$3.00.

Scarcely a week passes without notice being served by some publisher to an interested public that another book on the Soviet Union has seen the light of day. Among these multifarious works there are many which are distinctly of ephemeral significance, while others are of enduring importance. Conspicuous among the latter is the monumental work entitled *Russia*, by Dr. Hans Von Eckhardt, Professor of Political Science at the University of Heidelberg.

The original of this massive, scholarly volume, entitled *Russland*, appeared in Germany in 1930. The title which the author has selected is in itself significant, for it strikes the keynote of the whole exposition. "Russia" is "Russia," in spite of the frequent attempts to ingraft Western European culture and civilization upon the primitive Slavic peoples. From the ninth century "when the Teutonic people of the North were making their way from Scandinavia into the land of the Slavs" (p. 14), through the centuries down to the present day, the Slavic race has perpetuated those distinctive racial characteristics which had

their roots in Asia rather than in Western Europe.

In the opinion of the author, "Russia is now more closely in touch with Asia than ever before and . . . comes into contact with Asiatic peoples at a thousand points" (p. 683).

A proper evaluation of the Bolshevik Revolution necessitates an understanding of the historic antecedents of the revolution. These the author of *Russia* has presented in masterly fashion. His work is a veritable encyclopedia on Russian economic, social, and political history and deserves first rank among the scholarly treatises on the subject.

Another significant interpretative work is *Russia and the Brigand*, a character study by Joseph Deretchin. This study affords an interesting insight into certain peculiar racial traits of the typical Slav. The author believes to have discovered these in the Russian brigand literature, exemplified not only by the highly emotional folk songs extolling the heroic exploits of Cossack chieftains, but also in the powerful writings of Fyodor Dostoyevsky, the "prophet of Russia." "That tone of grim melancholy of the folk song, its hopelessness, homelessness, and the horrors of crime and cruelty are given by him [Dostoyevsky] on a vast canvas, in such bold reality and trenchant language as only genius like his would be capable of producing" (p. 81).

The Slav, in the estimation of the author, is by nature a free lance, with proclivities to lawlessness and brutality. Whatever has existed of state organization in Russia in the past has been an importation from Western Europe. Even Marxian concepts of the political state, as ingrafted by Communists upon Slavic civilization at present, appear incompatible with the primitive mentality, the peculiar conservatism, and the innate moroseness of the Slavic peasant.

The brigand alone is a genuine creation of Russia. But he is a force of destruction. Is it conceivable that the Bolsheviks will be able to implant a new form of civilization, having its philosophical origins in Western Europe, upon an inert, primitive Slavic people? The author voices serious doubts.

Russia and the Brigand is of decided his-

torical significance, in that it provides the student of Soviet institutions with an abundance of stimulating materials which are essential to a proper understanding of the Russian revolution and its possible meaning for modern civilization.

Bruce Hopper, in *Pan-Sovietism*, presents a very readable narrative on the Soviet system. In the light of the two previously discussed treatises there may be some disagreement with the author's belief in the profound changes in the Russian people which have resulted from the political and economic upheaval growing out of the October Revolution, and particularly since the inception of the five-year plan of industrialization and socialization. To be sure, a state of confusion has been created in the minds of the masses by the many kaleidoscopic changes in recent years, but it is questionable whether there has been a violent break with habits of thinking established through the centuries.

Pan-Sovietism deserves a high place among the interpretative literature on the Soviet system. The title chosen by the author is suggested by the attempts of the Communist Party to harmonize the forces natural to and inherent in the Slavic people with the ideological concepts imposed upon the country from without. Any shortcomings in interpretation, manifested by the author, may be traceable to a partial distortion of Marxian concepts of the function of the state in the revolution, rather than to an inadequate appreciation of the nature of the Soviet system and its historical background.

In the exposition of the economic and social progress under the five-year plan, the author has gratifyingly abstained from perforating his narrative with a superabundance of statistics, as is so frequently the case in accounts of the planned economy of the Soviet Union. This fact alone marks *Pan-Sovietism* as a work of distinction in its field.

Social Economic Planning in the Union of Soviet Socialist Republics and Employment and Unemployment in Pre-War and Soviet Russia are two pamphlet reports submitted to the World Social Economic Congress in Amsterdam in August 1931. The former document was prepared by various in-

vestigators identified with the State Planning Commission and the Labor Research Institute in Moscow. It contains a scientific, objective analysis of "The Nature and Forms of Social Economic Planning," "Planned Economy in Operation," "The Planning and Development of Agriculture in the Soviet Union," and "Labor in Soviet Planned Economy." The first of these four subjects is of particular significance in view of the many proposals for "voluntary" planning, since it presents a critical evaluation of the prerequisites of effective social economic planning, and clearly indicates the difficulties involved in attempting to apply the principles of economic planning to a capitalistic economy.

The document on employment fluctuations in Russia before and since the October Revolution was prepared by Susan M. Kingsbury and Mildred Fairchild of Bryn Mawr College. It contains a series of very illuminating charts, graphs, and tables, showing trends in population, employment and unemployment, productivity of the worker, wages and standards of living. The atmosphere which envelops the study is typical of that surrounding most of the current economic treatises on the Soviet Union. The study is weighted down with a superabundance of statistical materials, which in themselves convey the impression of laborious research. But it is regrettable that the authors have left a great deal of statistical refinement and interpretation to the reader. As a rule there is no indication whether employment data include full-time and part-time employment, whether they allow for changes in length of working day, and so forth. Moreover, production statistics are expressed on a quantitative and value basis, but no suggestion is made of the possible noncomparability of the items because of differences or changes in quality. The data are there, but the interpretation leaves much to be desired.

In *The Soviet Planned Economic Order*, by William Henry Chamberlin, the author endeavors "to show how the element of planning assumed steadily larger proportions in Soviet life, culminating in the adoption of the five-year plan of national development, and how this plan has functioned in operation" (p. iii). The little

volume affords the reader a real insight into the origins of economic planning in the Soviet Union and portrays very clearly the plan in actual operation. Of particular historic significance is the series of documents relating to the five-year plan, to labor, and to agriculture, translated in the Appendix. The student of Soviet institutions will discover in these source materials a great deal of valuable information. The author has rendered a distinct service in making these documents available to the English reader.

The transition from works on the Soviet Union of more or less enduring value to those of ephemeral interest is very gradual. But current travel pictures, no matter how admirably painted, are at best of only temporary significance in view of the rapid changes which are taking place in the Soviet Union.

Working for the Soviets, by Walter Arnold Rukeyser, is a sincere and unvarnished recital of personal experiences, by an American engineer who spent considerable time in the Soviet Union doing either consulting or supervisory work for a Soviet trust. Only when the author deviates at times from his straightforward narrative and indulges in broad generalization, presumably based on facts, does he lay himself open to criticism. Thus, the assertion that in the first year of the plan, 1929, tourists were not solicited by the Soviets, and except for special cause were not permitted to enter Russia (p. 37), must sound rather strange to the many American tourists who visited the Soviet Union in that year for no "special cause." It would, moreover, be interesting to have the factual basis for the statement that until just recently Soviet foreign gold surplus "was to a great extent used for the spreading of Red propaganda and the active fomenting and supporting of strikes and discontent throughout the capitalistic world" (p. 66).

If the author had adhered to a recital of his personal experiences, and not attempted to draw broad conclusions unsubstantiated by factual data, his work would undoubtedly possess far greater merit. But on the whole, it is one of the best portraits of the Soviets at work that has as yet appeared in the English language.

Ray Long presents a very readable travelogue in his little volume entitled *An Editor Looks at Russia*. He reiterates, more or less, what every tourist who has visited the Soviet Union in recent years has had occasion to observe. Nevertheless, he believes that he, as an editor, was privileged to see and hear things which are withheld from the casual summer visitor to the land of the Soviets.

Particularly gratifying is the frank statement with which the author prefaces his observations. Unlike many other observers, who have gone to the Soviet Union to confirm their preconceived notions or to prove their theses, Ray Long went to Russia "with no desire to prove anything." He merely wanted to look, and let the rest of the world know what he saw. Yet one cannot help feeling that, like Oswald Garrison Villard, he saw Russia "from a train window"; for his animated impressions are not at all unlike those obtained by countless other tourists in the Soviet Union. Only at the conclusion of his narrative does the author become somewhat meditative and introspective. As he views a bread line at Columbus Circle in New York upon his return from the Soviet Union, he compares it with the waiting lines he had seen in Russia. "There was one difference. Those in the line in New York were waiting for charity. Those in line in Russia were waiting to buy. That's a big difference. A difference which may warrant your serious consideration" (p. 114).

My Russian Venture, by Mrs. Cecil Chesterton, is a travelogue, somewhat out of the ordinary in view of the fact that the author obtained the experiences which she records away from the beaten path of tourists in the Soviet Union. Unobstructed by official guides, and interpreters, she made her way with her companion through White Russia and the Ukraine. The account of her experiences makes fascinating reading. It is liberally interspersed with dainty feminine exaggerations such as "Soviet trains are always late and nobody knows what happens to them" (p. 43). "No one in authority has the knowledge to put things right" (p. 59). Or, most illuminating of all, "America gives the Soviet extended credit for steam-tractors and other machines"

(p. 61). But in spite of such pardonable nonsense *My Russian Venture* deserves favorable mention among recently published travel literature on the Soviet Union.

Ding Goes to Russia, by the cartoonist Jay N. Darling, is a most delightful account of personal observations, profusely illustrated by the author. If the narrative were really to be taken seriously, one might be inclined to comment on the refreshing ignorance of Soviet economic and political institutions which it displays. But artistic license permits of naïve exaggerations in order to create the desired atmosphere. The author apparently feels in duty bound to display his erudition by bringing the name of Karl Marx into his narrative, even though he spells it with a "C." In general, he reveals himself a far better student of human nature than of economics and political science. *Ding Goes to Russia* should prove exceedingly popular for serious discussion at a women's bridge club!

Selected Articles on Recognition of Soviet Russia is a debaters' handbook compiled by E. C. Buehler, B. W. Maxwell, and George R. R. Pflaum. It contains reproductions of familiar arguments presented from time to time, either for or against the recognition of the Soviet Government by the Government of the United States. There is nothing essentially new in this presentation, and the compilers lay no claim to originality. Most of the sources cited are distinctly secondary.

There was a time when debating contributed to the development of latent powers of original investigation and research on the part of the debater. But "labor saving" devices have also been applied in the development of the gentle art of debating. The "modern" debater need only go to the "Handbook Series" and find his materials "carefully" analyzed and classified for him. Under the circumstances, it would at least seem desirable that the debater's manual should quote its references correctly and not have "Ingov" for "Jugov," or "Marshak" for "M. Ilin," in the selected Bibliography. It is debatable, moreover, whether the alleged purpose of the compilers "to separate the chaff from the grain" in their compilations has really been achieved.

Bolshevism, Fascism, and Capitalism, by George S. Counts, Luigi Villari, Malcolm C. Rorty, and Newton D. Baker, presents a comparative account of the three economic systems which are challenging each other in the world economy of today. George Counts analyzes the Soviet system, Luigi Villari describes the economics of Fascism, and Malcolm Rorty comes to defense of capitalism. The several presentations reproduce the lectures delivered by the authors before the Institute of Politics held at Williams College in the Summer of 1931. Each author clearly depicts the economic and political aspects of society under the particular "ism" exemplified by the Soviet Union, Italy, and the United States, respectively. The discussion from the floor on the several economic systems, following the general lectures, is reproduced in detail in the Appendix. This discussion is indicative of the particular interest in the Soviet Union which prevails in the United States today, and which may be satisfied from many angles by digesting the foregoing recent publications on the Soviet Union.

With just a little discrimination and some slight mental reservations, as may be inferred from the above brief analysis, the gentle reader should experience no great difficulties in obtaining an insight into present-day conditions in the land of the Soviets.

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T'ANG LEANG-LI. *Wang Ching-wei. A Political Biography*. China United Press Series. Pp. ix, 223. Peiping: The French Book Store, Distributing Agents. 1931. Mex. \$6.50.

WANG CHING-WEI and others. *The Chinese National Revolution. Essays and Documents*. China United Press Series. Pp. xi, 188. Peiping: The French Book Store, Distributing Agents. 1931. Mex. \$6.00.

HU SHIH and LIN YU-TANG (Commentaries by WANG CHING-WEI). *China's Own Critics. A Selection of Essays*. China United Press Series. Pp. viii, 166. Peiping: The French Book Store, Distributing Agents. 1931. Mex. \$6.00.

These three volumes bear all the ear-

marks of dignified political propaganda. Wang Ching-wei belongs to the Left Wing of the Kuomintang or Nationalist Party of China, but is distinctly not a Communist. Reared in a family of the old school, while a student in Japan shortly after 1900 he became a revolutionist and was early associated with the group of which the late Sun Yat-sen was the leader. He had a very prominent part in the leadership of the party, not only in its early days of obscurity but also in its days of triumph in 1927. He was one of the radical group at the Wuhan cities in that year, but broke both with the Communists and with Chiang Kai-shek and became one of the prominent members of the Canton group which in 1931-1932 has been in open opposition to Chiang.

Of the three volumes which have appeared in the series, the first is the most substantial and the most interesting. It is really a history of the Nationalist Party from the days when, in obscurity, the revolutionary movement was organized by Sun Yat-sen. Wang's life is interwoven with that story and he is made to play a leading part in it. The narrative is thoroughly sympathetic with Wang and with the Left Wing of the Kuomintang, and at times is laudatory. It has, however, real historical value, partly as a document which gives the attitude of men of that stamp. It is, incidentally, written in an excellent English style.

The Chinese National Revolution is, as its subtitle indicates, made up largely of papers which have previously been published. Wang Ching-wei is the author of most of them, and in them is outlined his program for China. Naturally they are against Chiang Kai-shek. They are also emphatic in their claim that the Left Wing is not Communistic, at least in the Russian sense of the term. Their program is idealistic and contemplates a thoroughgoing national reorganization, with a reduction and restriction of the military forces, the guarantee of a great many rights to citizens, and, in general the following of the principles laid down by Sun Yat-sen. There is no assurance, however, that Wang and his group—trained and successful agitators though they are—will show any more abil-

ity in practical administration than did Sun himself.

China's Own Critics contains some brilliant essays by Hu Shih and Lin Yu-tang, and has a smaller proportion of material by Wang than does the volume just preceding. As illustrative of the mind of three of China's outstanding intellectuals, it has real value.

K. S. LATOURETTE

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LATTIMORE, OWEN. *Manchuria: Cradle of Conflict*. Pp. xvi, 311. New York: The Macmillan Company, 1932. \$3.00.

This book was completed before the opening of the Sino-Japanese hostilities of September 1931—except for appropriate footnotes added on going to press. Yet this in no way invalidates the work, which is not primarily concerned with the political but with the more permanent geographical, cultural, and sociological elements of the Manchurian problem.

In the opinion of the author, present-day political alignments are merely new manifestations of historically very old tendencies at work in this region. The only really new element is the impact of the West, as represented by the policy of an essentially westernized Japan. "The main front of Russian advance is not Manchuria, but Mongolia and Central Asia" (p. 295). What China is resisting is what she is indirectly thwarting on every front of her domain—namely, the assertive and purposive quality in western civilization.

The comparison of the divergent psychological tendencies inherent in the Manchu, Mongolian, and Chinese make-up is suggestively brought out, all the more so when couched in Mr. Lattimore's admirable English. One is, nevertheless, conscious of unnecessary repetitions, and of a certain vagueness that can be remedied by more attention to Chinese philosophical concepts, particularly those relating to law.

In a few of his generalizations the author has ventured quite beyond his depth, as for instance in his contention (p. 173 f.) that the Chinese language does not admit of the creation of a terse and apt terminology for the expression of technical ideas. This is true of the archaic classical style, but not

of the present-day vernacular, in which the Chinese can express every necessary idea without resort to the strange and scarcely intelligible borrowings with which the English language has been cumbered.

ARTHUR W. HUMMEL

Library of Congress

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VOLUME 164

NOVEMBER, 1932

THE ANNALS

*of The American Academy of Political
and Social Science*

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PALESTINE A Decade of Development

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Monograph

THE FRENCH SOCIAL INSURANCE ACT

By Paul H. Douglas, Ph.D.
University of Chicago
Chicago, Illinois

PHILADELPHIA

1932

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FOREIGN AGENTS

AUSTRALIA: Melbourne University Press, The University, Carlton, Victoria.
ENGLAND: P. S. King & Son, Ltd., 2 Great Smith Street, Westminster, London, S. W.
FRANCE: L. Larose, Rue Soufflot, 22, Paris.
GERMANY: Mayer & Müller, 2 Prinz Louis Ferdinandstrasse, Berlin, N. W.
ITALY: Libr. Intern. Fratelli Treves, Galleria Vitt. Em. 66-68, Milan.
SPAIN: E. Dossat, 9 Plaza de Santa Ana, Madrid.
SWITZERLAND: Librairie Kundig, Place du Lac, 1, Geneva.
CHINA: The Chinese-American Publishing Company, 78 Nanking Road, Shanghai.

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FOREWORD

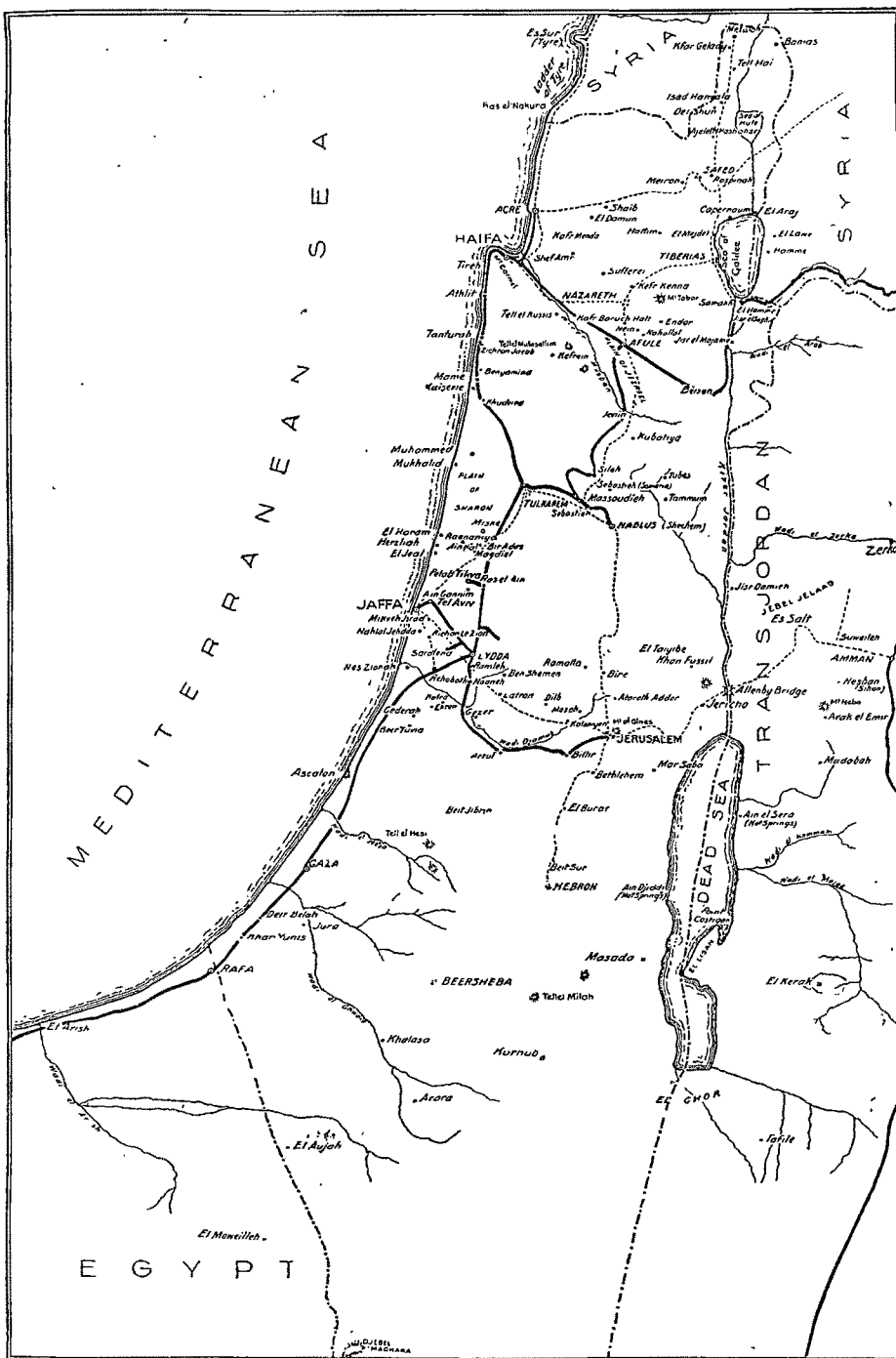
A WEEK without some printed message about or from "The Land of Three Faiths" is exceptional. During a recent month there appeared a book on *England in Palestine*, a statistical work on economic resources of and developments in Palestine, an economic monograph on the Arab peasant, and a pamphlet on Arab-Jewish relations. Besides the regular and special Government reports and the annual reports submitted to the Mandates Commission, there have been a number of special reports of investigations made by His Majesty's Government, such as the Shaw report on the August 1929 riots, the much criticized Hope-Simpson report on economic conditions, and the special White Papers on the British statement of its policy in Palestine, the Dead Sea concessions, and the pipe-line concession granted the Iraq Petroleum Company. Why then a special issue of THE ANNALS on Palestine?

Thus far, the so-called "open forum" method of treating the problems of Palestine has not been used. Practically all books, pamphlets, and articles, with the possible exception of a number of agricultural economic monographs of the Palestine Economic Society, have been written from some special point of view. This volume of THE ANNALS attempts to present different views on the same questions. The topics, the selection of contributors, and other questions raised in the preparation of the volume have been jointly decided by us as special editors, one an Arab and the other a Jew. The inclusion of a number of topics on which there exists a difference of opinion between the two communities has made the treatment of these topics necessary from an "Arab" as well as from a "Jewish" point of view, a procedure which may with some justification be open to criticism. Some topics which are not of a controversial nature, such as health, agricultural potentialities in Palestine, and so forth, have been dealt with by a single writer, either Arab, Jew, or Gentile, and from a strictly Palestinian standpoint.

We are especially glad to be able to present articles on a number of problems which, because they lack the dramatic features of real or imaginary racial conflicts, have hitherto received little attention, such as educational questions, the machinery of the Government, and the principles of the Arab Federation. We have also tried to bring to the attention of the readers of THE ANNALS questions, such as the interpretation of the Mandate and the commercial and industrial developments of Palestine, which hitherto have been treated largely in books or articles intended for the specialist instead of for the intelligent general reader who is interested in foreign cultures and relations. On two questions there are no contributions. The religious problem has for obvious reasons not been dealt with, and on the topic of the place of Palestine in the "imperialistic" scheme, no specialist invited was willing to write. Certain problems have rightly or wrongly been given no consideration, either because of the lack of reliable data, the space limitations imposed, or our own difficulties in arriving at editorial agreements on certain topics to be included or manuscripts to be accepted.

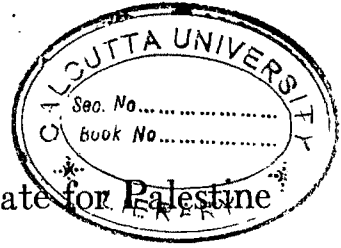
The contributors to this volume either reside in Palestine or have been there. They possess specialized and first-hand knowledge and direct contact with the problems they discuss. It is, of course, understood that the opinions expressed by the contributors to this volume are their own, and that they do not represent our opinions nor those of the organizations with which we are connected.

HARRY VITELES
KHALIL TOTAH



PALESTINE

This map has been prepared by the Palestine Railways. For the sake of convenience it has been somewhat shortened. The East and West boundary lines continue about sixty miles farther south to points about ten miles apart on the Gulf of Akaba, the northern coast line of that Gulf forming the southern boundary line of the country. The black lines represent railways, the broken lines permanent main roads.



Constitutional Aspects of the Mandate for Palestine

By S. D. MYRES, JR.

I. GENESIS OF PALESTINE MANDATE

THE Mandate for Palestine is the outgrowth of extensive negotiations which began during the World War and had as their object the settlement of the Near Eastern question. First of importance in the present connection was the Sykes-Picot agreement of May 1916 between France and Great Britain. It divided Asia Minor into: a "red" zone, including southern Mesopotamia with Baghdad, to be administered by the British; a "blue" zone, embracing Cilicia and a part of Syria and central Anatolia, to be administered by the French; and two areas between, lettered "A" and "B" respectively, in which the signatories were "disposed to recognize and protect an independent Arab State or Confederation of Arab States." Finally, central Palestine was to be placed under an international administration, the form of which should "be decided after consultation with Russia, with the other Allies and with the representatives of the Sherif of Mecca." This accord was essentially imperialistic in nature. Its purpose was to insure the claims of Great Britain and France in the region, while giving at least a partial recognition to the demands of Arab leaders for independence from Turkey.

Since 1908, when the Young Turks began their policy of centralization and "ottomization," the Arabs of both Syria and the Peninsula had been increasingly restive. In 1913, Hussein, Sherif of Mecca, sent envoys to Lord Kitchener, British High Commissioner in Egypt, protesting against the acts of the Constantinople Government.

During the following year, when hostilities between Great Britain and Turkey were imminent, Kitchener and his staff determined, if possible, to turn the Arabs against their rulers. Conversations were accordingly opened with Abdullah, second son and representative of Hussein, which led to the assurance that the Sherif would not aid the Turks. Pledges of a similar nature were secured by the Government of India and the Aden Administration from other Arab chiefs.

In August 1915 began the now famous correspondence between Hussein and Sir Henry McMahon, which became the basis of an Anglo-Arab alliance continuing throughout the War. In return for military aid, Great Britain agreed in general to the Sherif's plan for an independent Arabia, but stated that "The districts of Mersina and Alexandretta and the portions of Syria lying to the west of the districts of Damascus, Hama, Homs, and Aleppo cannot be said to be purely Arab, and should be excluded from the proposed limits and boundaries." Whether or not Palestine was to become a part of the projected Arab State, in spite of the provisions of the Sykes-Picot agreement that it should be internationalized, has aroused much discussion. Arab leaders in the country insist that it was to be included; the British Government denies the claim. Since the correspondence has never been published in full, it is impossible to arrive at an exact conclusion in the matter.

ACTIVITIES OF THE ZIONISTS

The exigencies of war led the Allied

Powers to further commitments—in this instance, to world Jewry. The Zionist Organization, founded by Theodor Herzl in 1897, had for its essential aim the creation for the Jewish people of “a home in Palestine secured by public law.” Only slight headway, however, had been made toward the realization of this object. As the War progressed, certain English Zionists led by Dr. Chaim Weizmann, Reader in Chemistry in Manchester University, recalling the traditional friendship of Great Britain for the Jews and reasoning that the Allies would welcome their good will and financial support, began informal negotiations with members of the Government.

By February 1917 the way had been prepared for a formal meeting with Sir Mark Sykes of the British Foreign Office. Soon thereafter, Mr. Nahum Sokolow, representative of the Zionist Organization, opened discussion with the French and Italian Governments. In July, the Zionists submitted a memorandum to the British Cabinet, suggesting the formula to be used in an official pronouncement of sympathy for their cause. It stated that His Majesty's Government accepted the principle that Palestine should be recognized as the national home of the Jewish people, and that the means of achieving this end should be internal autonomy for the Jewish nationality in Palestine, freedom of immigration for Jews, and the establishment of a Jewish colonizing corporation for the resettlement and the economic development of the country. But owing to protests from prominent Jews opposed to the Zionist idea, and because also of the need to protect Arab rights in the territory, the draft was amended by the Government.

After the lapse of some time, the well-known Balfour Declaration was issued. It was in the form of a letter

from Balfour to Lord Rothschild, dated November 2, 1917, in which it was said:

His Majesty's Government view with favor the establishment in Palestine of a National Home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by the Jews in any other country.

GOVERNMENTAL DISPOSITION OF PALESTINE

With the termination of the War in their favor, the Allied Powers were confronted with the responsibility of determining the governmental régime to be established in Palestine. The first step in this direction was taken by the Paris Peace Conference the latter part of January 1919, when the decision was reached to sever the territory from the Ottoman Empire and to place it, along with other regions formerly held by Germany and Turkey, under mandate.

A system of international administration, proposed by General Smuts of South Africa and indorsed by President Wilson, was established by Article 22 of the League Covenant, which was to be incorporated into the peace treaties. During the month of February, the Conference heard the representations of Feisal, speaking for his father, Hussein, who favored an Arab federation in the regions predominantly of Arab population, and the claims of the Zionists, led by Weizmann, who wanted to develop an essentially Jewish Palestine. No decision, however, was reached on this and other issues; further negotiations were required to arrive at an agreement.

The San Remo Conference of April 1920 allocated Palestine to Great

Britain as a mandate, subject to the conclusion of the treaty of peace with Turkey. The Treaty of Sèvres in Articles 94-97 duly provided for the transfer of the territory and the establishment of the mandates system, but its non-ratification on account of the Turkish national movement caused further delay. It was not until the Treaty of Lausanne was signed in July 1923 that the formal relinquishment required of Turkey was secured.

A task giving rise to additional difficulties was the adoption of the Mandate under which Palestine was to be administered. The drafting of this document had been left to Great Britain, the mandatory power, but the approval of the League Council was necessary before it could go into effect. Various obstacles were raised by the United States, Italy, and France, postponing its confirmation by the League until July 1922. The British had previously occupied the country, setting up a military administration in the southern part as early as 1917. On July 1, 1920 the civil administration, with Sir Herbert Samuel as High Commissioner, came into existence.

Thus by a very complicated process, the juridical basis of the Palestine Mandate was laid down. For all practical purposes, the Palestine Constitution, which has international as well as strictly local aspects, consists of three instruments: Article 22 of the League Covenant, which sets out certain general principles underlying the mandates system; the Mandate proper, which contains more particular provisions concerning the obligations of the mandatory power; and the Order in Council of 1922, as amended in 1923, which deals principally with local administrative authority and its exercise. These instruments must be considered as a whole and in relation to one another. For convenience, their provi-

sions may be analyzed under three headings: (1) with respect to the mandated territory and its inhabitants; (2) with respect to the League of Nations and its members; and (3) with respect to the Jews by reason of the provision for the Jewish national home.

II. PROVISIONS RELATING TO PALESTINE AND ITS INHABITANTS

Article 22 of the League Covenant states that the well-being and development of the peoples to be placed under mandate form a sacred trust of civilization, and that the most practical method of giving effect to this principle is to intrust their tutelage to advanced nations which can best accept the responsibility. It adds that "Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone."

In accepting the mandate for Palestine, Great Britain assumed obligations of a dual nature, in part negative and in part positive. On the one hand, it may not assimilate the territory and its inhabitants as its possession; on the other hand, it is required to administer the country and to insure the well-being and development, both social and political, of the people thereof.

Palestine is not a British colony; it is in a position of semi-independence. Though not a state in the full sense of the word, it is in the process of becoming such, possessing at present most of the necessary elements of statehood—territory, population, and public authority. It may be described as an infant state under the guardianship of the Mandatory. It is governed not by the authority of Parliament but by that

of the Crown under the British Foreign Jurisdiction Act of 1890—an arrangement which emphasizes its separateness from the home government.

The permanent inhabitants of Palestine are not British nationals, but are citizens of their own country. The treaties of Sèvres and Lausanne in Articles 123 and 30, respectively, stipulated that Turkish subjects resident in the areas detached from that power should *ipso facto* become the nationals of the states to which such areas were transferred, the term "states" in this instance referring to the mandated territories. Furthermore, Article 7 of the Mandate called for the enactment of a nationality law; in accordance therewith, the Palestine Citizenship Order in Council of 1925 was promulgated, containing regulations with respect to Palestine nationality, which can be acquired by birth, marriage, or naturalization.

Several other considerations indicate the special position of the territory. For example, it is not bound automatically by treaties and conventions entered into by Great Britain. Ordinarily, international agreements of a mother country are binding as a matter of course on her colonies unless the latter are specifically exempted by the terms of the agreements. The contrary is true in the present case; Palestine is held to British commitments only if it is specifically named therein.

The principle of distinct status for the mandated territory likewise extends into the fiscal field. In keeping with the spirit of Article 22 of the Covenant, the Mandates Commission, duly seconded by the League Council, has concluded that while a mandated territory may be expected to pay its way, it may not be burdened with obligations not directly connected with its own administration. A separate budget is maintained for Palestine, all

revenues being credited to the local account and all expenditures going for local purposes.

An additional indication of the line dividing Great Britain from the territory is found in the distinction frequently made in the Mandate between the mandatory power and the Administration. It is regarded by some students as the first step toward complete separation of the two, the local Administration forming the basis of the future independent Government of Palestine.

BRITISH ADMINISTRATION IN PALESTINE

Among the positive obligations imposed by the Mandate, the first is that of governing the territory. Article 1 states that "The Mandatory shall have full powers of legislation and of administration, save as they may be limited by the terms of this mandate." In the conduct of local affairs, the British follow precedents and methods applied in their Crown colonies, with such adaptations as Palestine conditions require. Administrative functions are discharged in the name of the King through the Colonial Office.

The representative of the Crown in the country is the High Commissioner. In the exercise of executive powers, which are conferred by the Palestine Order in Council and by Letters Patent, he acts in conjunction with an Executive Council, constituted in accordance with instructions received from London. This body, which serves in an advisory capacity, at present consists of the Chief Secretary, the Attorney-General, the Treasurer, and the Director of Development. Legislative authority likewise resides in the High Commissioner, but he confers with an Advisory Council before promulgating ordinances. This Council was originally composed equally of

official and nonofficial members. Of the latter, four were Moslems, three Christians, and three Jews.

In 1923, efforts were made to institute a Legislative Council, twelve of whose twenty-two members were to be popularly elected. Owing, however, to a boycott of the Arab population, the plan could not be carried out. The Advisory Council was revived, but Arab leaders refused to serve on it. It was therefore constituted this time, as it remains today, entirely of official members. It consists of heads of departments and the two District Commissioners, and acts under the presidency of the High Commissioner.

The judicial authority, resting on Article 9 of the Mandate and Part V of the Order in Council, is exercised through a hierarchy of tribunals, ranging from the Magistrate Courts in each district and subdistrict to the Supreme Court. In addition are courts concerned with land questions and tribal affairs. Moslem, Jewish, and Christian religious tribunals exercise jurisdiction in matters relating to the personal status of their respective communities. In the more important cases, appeal lies to the Judicial Committee of the Privy Council in London. Ottoman law is applied in Palestine, as amended or supplemented by local ordinances and British Orders in Council.

The Mandate, in Article 17, implies the duty to preserve peace and order in the territory by the organization of necessary armed forces. Disturbed conditions have sometimes made the discharge of this obligation difficult. Whether the Administration has done all that is reasonably required of it is a controversial subject, as shown by the conflicting conclusions of the Shaw Commission and the Mandates Commission following the riots of 1929. By Article 5 the Mandatory is charged

with guaranteeing the territorial integrity of Palestine, while Article 12 enjoins it to give diplomatic and consular protection to Palestinians abroad.

Article 2, in conformity with the League Covenant, calls for the development of self-governing institutions, but it has not yet been possible to devise a scheme of representation meeting the demands of both Arabs and Jews and commanding British support. Some progress, however, has been made in developing communal autonomy and local political organs with limited powers. The Jewish population has taken advantage of the opportunity afforded by the Administration to organize itself into a community with an elected Assembly having control over matters of peculiar interest to Jewish residents. Discussion is still proceeding with respect to the establishment of a similar Assembly for the Moslem community. Elected councils in the towns and villages discharge a number of municipal functions.

COMMUNITY REGULATIONS

Article 2 also makes the Mandatory responsible for safeguarding the civil and religious rights of all inhabitants of Palestine, regardless of race and religion. Article 15 insures complete freedom of conscience and worship, subject only to the maintenance of public order and morals, and forbids discrimination between the inhabitants of the territory on the ground of race, religion, or language. An interesting judgment—*The Attorney General v. Abraham Altshuler*—was rendered by the Supreme Court of Palestine on this clause. A by-law had been passed by the Local Council of Tel-Aviv (Jewish) forbidding the opening of shops on the Sabbath, but excluding Moslems and Christians from the restriction. The Court, in a divided decision, concluded that the act discriminated against the

Jewish population and was therefore null and void under the Mandate.

When the Jewish Community Regulations were being framed, the ultra-orthodox group complained that one of the provisions would restrict liberty of conscience and worship and would endanger religious autonomy of the minority as guaranteed by Article 83 of the Order in Council. Their protests led the Government, on the recommendation of the Mandates Commission, to adopt suitable amendments.

Paragraph 2 of Article 15 of the Mandate permits each community to maintain separate schools for the education of its members in their own language, subject to such educational requirements of a general nature as the Administration may impose. The Jews in particular have availed themselves of this privilege, having their own distinct school system, which extends from the kindergarten to the university. Article 22 makes English, Arabic, and Hebrew the official languages of the country.

Article 23 states that "the Administration of Palestine shall recognize the holy days of the respective communities in Palestine as legal days of rest for the members of such communities." The country therefore has three Sabbath days—Friday for the Moslems, Saturday for the Jews, and Sunday for the Christians.

III. PROVISIONS RELATING TO THE LEAGUE AND ITS MEMBERS

Palestine is of international interest for several reasons: first, on account of its Holy Places; second, for its antiquities; third, for economic reasons; and, finally, as a trust being carried out under the auspices of the League of Nations.

The Mandate, in Article 13, places upon the Mandatory all responsibility in connection with the Holy Places and

religious buildings or sites. Free access thereto and the free exercise of worship in connection therewith are to be guaranteed. Article 14 provides for the appointment by the Mandatory, with the approval of the League Council, of a special commission to define and determine rights and claims relating to the Holy Places and to the different religious communities in Palestine. On account of the inability of the interested states to agree upon the composition and the powers of this body, it has never come into existence. However, the controversies between Jews and Arabs over the Wailing Wall, which led to the disturbances of August 1929, caused the British Government, with consent of the League Council, to appoint a special *ad hoc* commission of three non-British nationals to hear evidence presented by the interested parties and make regulations governing the use of property. Its report was rendered in December 1930.

The antiquities of Palestine may be considered a heritage of all nations, particularly of those whose religious and secular history is closely connected with the country. Article 21 of the Mandate therefore provides for the enactment of an antiquities law; forbids the disposition of antiquities, except with the consent of a competent Department to be created; prohibits exportation without license from the Department; establishes penalties for the destruction or the damaging of antiquities; and in general regulates excavations. In conformity with this Article, an ordinance has been promulgated dealing with the subject in detail. A Department of Antiquities has been created with a director, who is advised by an archæological board.

By Article 18 of the Mandate, the Government is required to see that there is no discrimination against the nationals of any state member of the

League in matters of taxation, commerce, or navigation, or in the exercise of industry and commerce, or in the treatment of civil vessels or aircraft. Likewise, it must see that there is no discrimination against goods originating in or destined to any state member, and that there is freedom of transit under equitable conditions across the mandated area. The Administration, however, may impose such taxation and custom duties as it considers necessary and take such steps as it thinks best to promote the development of the natural resources of the country and safeguard the interests of the population. It may also conclude special customs agreements with any state, the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia.

The open-door policy is thus not fully applicable to Palestine, but economic and commercial equality is fairly assured. With practically no exceptions, the discriminations which exist are made in the interest not of the mandatory power but of Palestine itself, and for this reason appear to be justified. However, the recent grant of a pipe-line concession to the Iraq Petroleum Company has raised doubts in the minds of certain members of the Mandates Commission. The case is now pending before the League.

According to the League Covenant, the territory and the inhabitants of Palestine constitute a trust which is being discharged on behalf of civilization. Great Britain and the League act jointly as guardians of the ward placed in their charge. As already indicated, administrative authority vests immediately in the mandatory power, but it is in turn accountable to the League for the proper fulfillment of its commitments.

Five League organs are concerned with the task of supervision. The

Assembly exercises a certain indirect control by reason of its authority under Article 3 of the Covenant to deal with any matter within the sphere of action of the League. It serves essentially to focus public opinion on mandate questions and to secure the observance of obligations by means of discussion and publicity. The Permanent Mandates Commission, a technical, nonpartisan body of eleven members, examines the annual reports of the Mandatory, hears the statements of its official representatives, and advises the Council concerning the way the Mandate is being carried out. The Council officially determines the attitude of the League respecting the administration of the territory. Annual reports of the Mandatory are addressed to it, and all recommendations to the Government are made in its name and under its authority. The League Secretariat, particularly the Mandates Section, carries on important routine work. The Permanent Court of International Justice interprets the mandate when cases are referred to it, and may give advisory opinions to the Council.

FUNCTIONS PERFORMED BY THE LEAGUE¹

Through these organs, the League performs three functions. The first respects the drafting and termination of the Mandate, the second concerns its interpretation, and the third relates to the supervision of administration. In the Council was placed the authority of drafting the Mandate or of confirming the instrument submitted by the Mandatory. For the sake of convenience, it followed the latter procedure. According to Article 27 of the Mandate, the Council's consent is required for any modification of the provisions thereof. This is regarded necessary not only to insure the stability of the system, but also to guarantee the rights

of all member states of the League and the full discharge of the obligations imposed on the Mandatory. As provided in Article 28, the Mandate may be terminated only after the Council has made arrangements to safeguard all rights in respect to the Holy Places and to honor the financial obligations legitimately incurred by the Government of Palestine. The action recently taken toward admitting Iraq to full statehood indicates that the Council may impose such additional conditions as circumstances require.

The Mandate is interpreted by the Permanent Mandates Commission, the Council, and the Permanent Court of International Justice. The Commission and the Council acting together, with the Commission taking the initiative, are, through their decisions, gradually building up a body of precedents and principles giving meaning and force to the provisions of Article 22 of the Covenant, and to the Mandate. In the seventeenth report of the Commission, duly confirmed by the Council, a striking example of interpretation occurred. The duties of Great Britain in Palestine, in respect to both social and political phases, were set out rather fully. Article 26 of the Mandate provides that in the event of a dispute between the Mandatory and another member of the League over the interpretation of the Mandate, which cannot be settled by direct negotiations, it is to be submitted to the Permanent Court for a legal decision. The jurisdiction of the Court over the Mandatory, acting in its capacity as such, is thus compulsory. It extends to disputant states and not to individuals. In the *Mavromatis* case, however, the Court held that a state (Greece) could present the claims of one of its subjects against the mandatory power and secure relief on his behalf.

The *raison d'être* of League action regarding mandates is the supervision of administration, which is carried on chiefly by the Mandates Commission, with the aid and support of the Council and the Assembly. Contacts between the League and Great Britain are maintained by means of annual reports submitted by the Mandatory. Petitions from responsible individuals or associations within or without the territory may be used to lodge complaints against the Government. Both reports and petitions are regularly examined by the Mandates Commission in the presence of a representative of the mandatory power, who is commonly a ranking official. He gives additional information required by the Commission and defends the policy followed by the Palestine Administration. Petitioners may not appear before the Commission, but its members may hear them privately. The Commission's conclusions and recommendations are presented to the Council in the form of a report, which is transmitted, with such changes as the Council may make, to the Mandatory.

For the most part, the surveillance exercised by the League has been of a general nature. It has wisely chosen to collaborate with the Administration rather than to attempt direct control of local affairs. Nevertheless, in certain cases it has taken a firm position concerning the duties which the Mandatory is pledged to perform. Thus, after the Palestine riots of 1929, the League, acting through the Mandates Commission, conducted an intensive inquiry which led it to criticize the British Government for its failure to deal more effectively with the situation. The recommendations made by the League in this instance are doubtless responsible in a large measure for the development policy which is now being undertaken in the country.

IV. PROVISIONS RELATING TO THE JEWISH NATIONAL HOME

By recognizing the right of the Jewish people to a national home in Palestine, the Mandate gave effect to a theory which had long been developing. Since the French Revolution, it was increasingly felt that each nationality should be accorded an independent status. The World War, by releasing liberal theories of self-determination, greatly stimulated the movement in this direction. Among other questions confronting the Peace Conference was the position of the Jews, who had long suffered from disabilities and discriminations, especially in Central and Eastern Europe. One means of granting them relief was by treaties protecting minorities; another was by extending to them special privileges in Palestine.

The preamble of the Mandate mentions "the historical connection of the Jewish people with Palestine" as a fundamental reason for the reconstitution of their national home in the territory. It has been argued that this phrase recognizes that the forcible dispersions of the Jews from their native country did not extinguish their claim to it, and that the acknowledgment of their unbroken claim is an effort to correct one of the wrongs of history. But while the phrase may tend to explain the motives which led to the granting of the national home, it should not receive undue emphasis. It is, in fact, a somewhat weak substitute for the formula proposed by Zionist leaders when they asked that the "historical title" of the Jews to Palestine should be recognized. Even so, the British Government has indicated that the words used have special significance. The 1922 interpretation of the Mandate by the Colonial Office stated:

But in order that this [the Jewish] community should have the best prospect of free development and provide a full opportunity for the Jewish people to display its capacities, it is essential that it should know that it is in Palestine as of right and not on sufferance. That is the reason why it is necessary that the existence of a Jewish National Home in Palestine should be internationally guaranteed, and that it should be formally recognized to rest upon ancient historic connection.

MEANING OF "NATIONAL HOME"

But what is meant by the term "national home"? As a juridical concept, it is quite novel and finds no counterpart in international law. To be sure, reference was made at the Peace Conference to a possible national home for the Armenians, but it was to be established within a region already held by the Armenian people; whereas the Jewish national home is being created in a territory largely occupied by another race. The uniqueness of the idea has been pointed out by a leading authority, Mr. Norman Bentwich, who has concluded that "a national home connotes a territory in which a people, without receiving the rights of political sovereignty, has nevertheless a recognized legal position and receives the opportunity of developing its moral, social and intellectual ideals."

The notion seems to have originated with the Zionist Congress of 1897, which favored the creation in Palestine of a home for the Jewish people guaranteed by public law. The negotiations which resulted in the Balfour Declaration throw some light on the meaning of the term. While the Zionists insisted that Palestine should be assigned "as the national home of the Jewish people," the Government changed the words to read, "the establishment in Palestine of a National Home for the Jewish people." Both in the Balfour Declaration and in the

Mandate, it was provided that nothing should be done to "prejudice the civil and religious rights of existing non-Jewish communities in Palestine." In 1922 the British Colonial Office issued a statement, to which reference has been made, setting forth its interpretation of the rights to which the Jews are entitled under the Mandate. This interpretation has been repeatedly reaffirmed and is substantially followed today. It explained that His Majesty's Government did not accept the view that Palestine was to become wholly Jewish; there would be no subordination of the Arab population, language, or culture. It was not contemplated that Palestine in its entirety should be converted into a Jewish national home, but that such a national home should be founded *in* Palestine. The matter was summarized as follows:

When it is asked what is meant by the development of the Jewish National Home in Palestine, it may be answered that it is not the imposition of a Jewish nationality upon the inhabitants of Palestine as a whole, but the further development of the existing Jewish community, with the assistance of Jews in other parts of the world, in order that it may become a center in which the Jewish people as a whole may take, on grounds of religion and race, an interest and a pride.

ESTABLISHMENT OF NATIONAL HOME

Several provisions of the Palestine Mandate relate to the Jewish national home. Article 2 makes the Mandatory responsible for its establishment according to the terms of the Balfour Declaration, which are included in the preamble of the Mandate. Article 4 provides for a Jewish agency, which is to be recognized as a public body for the purpose of advising and cooperating with the Administration of Palestine in questions affecting the establishment of the national home and the interests

of the Jewish population. The Zionist Organization originally served in that capacity, but in 1929 an enlarged agency was created by the Jews, including both Zionists and non-Zionists. According to Article 6 of the Mandate, the Administration of Palestine, while insuring the rights and position of other sections of the population, is required to facilitate Jewish immigration and to encourage the close settlement of the Jews on the land, including state lands and waste lands not required for public purposes. Article 7 obligates the Administration to enact a nationality law and to devise provisions facilitating the acquisition of Palestine citizenship by Jews who take up their permanent residence in Palestine.

Section 2 of Article 11 states that the Administration may arrange with the Jewish agency to construct or operate, upon fair and equitable terms, any public works and services, and to utilize and develop any of the resources of the country, in so far as those matters are not undertaken by the Administration. Any such arrangements, however, must provide that no profits distributed by the agency directly or indirectly shall exceed a reasonable rate of interest on the capital invested; any additional profits must be utilized for the benefit of the country in a manner approved by the Administration. As yet, no agreements of the character mentioned have been made. Finally, Article 25 permits the Mandatory to exclude the provisions of the Jewish national home from the territories east of the Jordan River. The region has been accordingly set aside for the Arab inhabitants.

AMBIGUITY OF THE MANDATE

The application of the Mandate, especially the parts relating to the Jewish national home, has been beset by grave difficulties. The conflict of the

Jewish and Arab races in the country has placed an unusual strain on the constitutional system. Unfortunately, the Mandate is not free from ambiguity; certain of its clauses are all but inconsistent. The High Court of Palestine was at least partially correct in referring to it as "a political and not a legal document . . . likely to contain the expression of good intentions which are more easy to write than to read." Article 2, for example, calls for the establishment of the Jewish national home, the development of self-governing institutions, and the safeguarding of civil and religious rights of all inhabitants. Again, Article 6 provides that while insuring the rights and position of other sections of the population, the Mandatory is to facilitate Jewish immigration under suitable conditions and to encourage close settlement on the land.

It has not been an easy task to reconcile all these provisions so that they may be carried out concurrently.

Their wording has supplied the Jews with arguments to the effect that the creation of their national home is of paramount importance; it has enabled the Arabs to contend that their interests come first; it has furnished the British with a constitutional basis for their so-called "dual policy," which has given satisfaction to neither group. Attempts have recently been made by the Mandates Commission, by Lord Passfield, and by Mr. Ramsay MacDonald to give interpretations which will meet the just demands of all parties. Such efforts, however, have not been entirely successful.

The issues in Palestine are deep-seated. While they frequently masquerade behind legal phrases, they are in reality social and political in character. An understanding of the Palestine problem thus requires more than a knowledge of the Constitution. The basic questions confronting the territory and its people will be discussed by other contributors to this volume.

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The Balfour Declaration

By AOUNI BEY ABDUL HADI

THE nineteenth century and the first decade of the twentieth witnessed the spectacle of a pack of hungry European wolves gnawing steadily at the vitals of an impoverished and a decadent Turkey. France despoiled the Turkish Empire of Algeria and Tunis; Italy, with one fell swoop, coolly appropriated Tripoli in 1912; and Great Britain occupied Egypt in 1882 and annexed it in 1914. Bulgaria, moreover, and later Serbia, Greece, and Montenegro, severed their connection with and declared their independence of the Turks. Not to be outdone by its neighbors, Austria-Hungary seized Bosnia and Herzegovina only a few years before the Great War.

Thus, from about 1800 to 1914, Turkey was being continually led to the slaughter and came within an ace of being sacrificed on the altar of European greed. It was only international rivalry and the ever-present jealousy that kept the Sick Man of Europe from being devoured by his voracious neighbors.

Two causes were responsible for this helpless condition of Turkey, viz.: (1) its administration, which was based on the absolute authority of the Sultan, whose chief aim was to maintain it; and (2) the absence of a bond of loyalty on the part of the several disgruntled races within the empire, to their rulers.

ARAB NATIONALIST MOVEMENT

The Arabs were more loyal to the Turks than were the other subject races, on account of their common religion. Strong as it was, however, this

religious sentiment could not withstand the fire of Arab nationalism which began to be strongly felt a short time before the outbreak of the Great War. At that time, Arab leaders were organizing a serious nationalist movement which grew and spread as time went on. It found open and public expression in the Arab Congress which was held in Paris in 1911 with delegates from all parts of the Arabic-speaking world, then under Turkish domination, as well as from Europe and America. The Congress reviewed the political situation in Turkey with special reference to Arab rights. Its meetings were attended by Frenchmen who were eminent in public life, and the discussions were reported in the foremost journals in Europe and America. The result was that Turkey woke up from its long slumber and came to the realization that it might have to face an extensive and well-organized movement, the object of which was to give the Arab his former position of political ascendancy in the Near East. To avoid such a possibility, Turkish statesmen hastened to mend matters and made attempts to reconcile Arab leaders.

At this juncture it may be apropos to point out what share the Arabs had in Turkish government. In the first place, they had their representatives in the Parliament at Constantinople. They were represented in both the lower and the upper chambers. Arabs were found in the Sultan's cabinet, in high administrative posts such as a vali (governor of a province), and in minor positions of responsibility. These officials were appointed in

Arab and non-Arab territory. Worthy of note was the award of the post of prime minister in 1909 to the Arab Mahmud Shawkat Pasha. Besides participation in the central government, the Arabs had considerable share in the administration of their local communities, whether they were provincial or municipal. Thus it is seen that the Arabs under Turkish rule enjoyed a measure of internal autonomy and did not feel that they were under the oppression of a foreign yoke. The only exception may have been the matter of language, as the Arabs spoke Arabic and the Turks spoke Turkish.

Liberal as this participation of the Arabs in Turkish administration may seem, it did not wholly satisfy their aspirations when they pondered over their glorious past. To a race that once dominated the Near East including the Turks themselves, North Africa, and Spain, this autonomy seemed but a pittance and a mockery. What the Arabs desired was political independence and complete freedom from Turkish control. The outbreak of the Great War found them in this mood. They took advantage of the conflagration in Europe, redoubled their energies, consolidated their forces, and made a grim resolve to attack the Turks and wrest their full liberty from them. The Turks, however, were aware of these designs on the part of the Arabs, and dispatched the "butcher" Jamal Pasha to Syria in order to nip the revolt in the bud and keep Arab lands within the Empire. He inaugurated his infamous régime as General of the Fourth Army Corps and dictator in Syria and Palestine by proclaiming martial law, by sending Arab leaders to the gallows set up for them in the public squares of Beirut and Damascus, and by deporting their families to the interior of Anatolia. By such harsh measures

Jamal Pasha thought he would make an end of all Arab nationalism.

THE PROPOSED ARAB STATE.

In 1915 the Turks suspected but little of the negotiations which were going on between the Sherif Hussein of Mecca and Sir Henry McMahon, the British High Commissioner in Egypt. The plan was for the Arabs to join the Allies in their campaign of driving the Turks out of Palestine, Syria, and Arabia. For their coöperation the Arabs were to secure British assistance and recognition of an independent Arab State. It is quite clear from the Sherif's letter of July 14, 1915 to Sir Henry McMahon that the Arab State under discussion was not to include Hejaz only, but all Arabic-speaking territory in the Near East, which naturally meant Palestine.

The boundaries were to run as follows: on the north by Mersina-Adana up to the thirty-seventh degree of latitude, on which degree fall Birejih, Urfa, Mardin, Midiat, Omadiat, and Jehira, as far as the borders of Persia; on the east by the frontiers of Persia up to the Gulf of Basra; on the south by the Indian Ocean, with the exception of the Colony of Aden; on the west by the Red Sea and the Mediterranean Sea up to Mersina. On October 24, 1915 and on behalf of the British Government, Sir Henry McMahon accepted these boundaries with the exception of the two districts of Mersina and Alexandretta plus some of the territory to the west of the districts of Damascus, Hama, Homs, and Aleppo. The reasons for this exception of an Arabic-speaking country were French interests in these parts and the claim that the people were not purely Arab.

In order to save precious time and to seize the opportune moment for launching the attack on the Turkish

forces, King Hussein accepted in principal Great Britain's pledge for the establishment of an independent Arab Kingdom with the above-mentioned frontiers, and left the disputed points for future settlement. Accordingly, the Arabs declared war on Turkey, joined the Allies, and played an important rôle in freeing their country from Turkish rule. For verification of this statement one is referred to the utterance of General Allenby himself.¹

CONTRADICTORY AGREEMENTS

Unfortunately, however, Great Britain did not attach any great weight to her promise to the Arabs; for before the ink of the Hussein-McMahon negotiations was dry, Mark Sykes signed on her behalf an agreement with France, generally called the Sykes-Picot treaty, which excluded Palestine from the proposed Arab State and placed it under an international administration. The strip of coast near Haifa and Acre was to be under British influence. This treaty was signed in March 1916 and was ratified by Sir Edward Grey and Monsieur Cambon in May of the same year. Thus, it is clear that Great Britain had stifled the new creature before it drew breath. Not contenting itself with that, the British Government went a step farther, and on November 2, 1917 the late Lord Balfour sent his famous letter to

Lord Rothschild with the following Declaration:

His Majesty's Government view with favor the establishment in Palestine of a National Home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by the Jews in any other country.

From this declaration the contradictory nature of British pledges is quite apparent; for Palestine, Syria, and Iraq cannot form an independent Arab State according to British promise to King Hussein in 1915 and at the same time have in Palestine a national home for the Jews. On reviewing the diplomacy of Great Britain, however, one is not surprised, as it is full of similar incidents.

It is often argued that Sir Henry McMahon excluded the parts lying west of Damascus, Homs, Hama, and Aleppo from the Arab State. For this reason Palestine was not added to the Arab Kingdom. The reason given for the exclusion of these districts was France's interest in Syria, which developed only a few decades ago and specifically since the Lebanon troubles of 1860. From that time on, France began to subsidize Jesuit schools in Syria, and it was that which gave France her claim of protecting Christianity and the Christians living there.

It is not the intention to discuss here French pretensions regarding the protection of the Lebanon, but it is certain that though France made claims on Syria it never made any on Palestine. Supposing it is admitted, moreover, that the territory west of Damascus was excluded from the Hussein-McMahon agreement and allotted to France, surely Palestine is

¹ "The Arab Army has rendered valuable assistance, both in cutting the enemy's communications, before, and during, the operations, and in coöperating with my cavalry during the advance on Damascus. By throwing itself across the enemy's line of retreat, north of Deraa, it prevented the escape of portions of the Fourth Turkish Army, and inflicted heavy casualties on the enemy." *A Brief Record of the Advance of the Egyptian Expeditionary Force under the Command of General Allenby*. London: His Majesty's Stationery Office, 1919. p. 36.

not west of Damascus, but to the south and southwest of it.

THE HUSSEIN-McMAHON
CORRESPONDENCE

In this connection it may be relevant to remark that no British Cabinet of any party since the War has dared to publish this Hussein-McMahon correspondence, in spite of the fact that many members of both Houses of the British Parliament often demanded it so as to know exactly what promises were given to the Arabs by Great Britain. Neither can it be said that Sir Henry McMahon was not explicit and definite in speaking on behalf of his Government; because he was. Moreover, Lord Curzon, who was then the Minister for Foreign Affairs, sent a detailed statement to King Faisal (then Prince Faisal) on October 9, 1919 in connection with the withdrawal of British troops from Syria, and referred to the letters which were exchanged between King Hussein and Sir Henry McMahon. The Curzon memorandum (which has not yet been published and a copy of which is in possession of the author) among other things said:

From the annexed correspondence² it will be apparent to your Highness that His Majesty's Government made it clear from the outset that, in their opinion, the districts of Mersina and Alexandretta and portions of Syria lying to the west of the districts of Damascus, Homs and Aleppo, cannot be said to be purely Arab and should be excluded from the proposed limits and boundaries within which they were prepared to recognize the independence of the Arabs, and in which Great Britain is free to act without detriment to the interests of her ally, France.

This quotation, Lord Curzon said, in the above-mentioned memorandum

² This refers to all the Hussein-McMahon correspondence, a copy of which was attached to the memorandum.

was taken from a letter of Sir Henry McMahon to King Hussein under date of October 25, 1915. Continuing, Curzon said:

On the 5th of November, His Highness, Sherif Hussein replied to this letter stating that he renounced his insistence on the inclusion of the Vilayets of Mersina and Adana in the Arab Kingdom but declared that the provinces of Alexandretta and Beyrouth and their sea coasts were purely Arab provinces. To this letter His Majesty's High Commissioner in Cairo replied on the 14th of December welcoming His Highness' agreement to exclude the Vilayets of Mersina and Adana from the boundaries of Arab territories. He went on, however, to say that with regard to the Vilayets of Alexandretta and Beyrouth, the Government of Great Britain have taken careful notice of your observations, but as the interests of our ally, France, are involved, the question will require careful consideration and a further communication on the subject will be addressed to you in due course.

Then it is quite clear from the above that Palestine was not mentioned in this correspondence, as there was no doubt in the mind of either the Arabs or the British about Palestine's constituting a part of the Arab Kingdom.

With Great Britain, however, all pledges and agreements seem to be dependent on expediency and interest. The British Government seems ever ready to change, modify, and reinterpret her agreements to suit the emergency. As is well known, the Government of Great Britain accepted the Fourteen Points of President Wilson, the twelfth point of which proclaimed the independence of Arab lands. It also agreed with the four points announced in President Wilson's speech at Mount Vernon on the Fourth of July 1918, the second point of which ran as follows:

The settlement of every question, whether of territory, of sovereignty, of

economic arrangement, or of political relationship, upon the basis of the free acceptance of that settlement by the people immediately concerned, and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery.

Article 22 of the Covenant of the League of Nations was based on the principles laid down by President Wilson as shown above. This same article put the territory which was lost by Turkey and Germany during the Great War into three categories—A, B, and C. Arab countries, including Palestine, were placed in the first category.

From Paragraph 4 of Article 22 it is plain that Palestine, like Syria and Iraq, falls in this category, and therefore in principle should be considered as independent, "subject to the rendering of administrative advice and assistance by a mandatory until such time as they are able to stand alone." The inconsistency of this with the pledge of the British Government to create in Palestine a national home for the Jews is only too apparent.

The Balfour Declaration, which grants the Jews a national home in Palestine, is absolutely contradictory to Article 22, which gives Palestine an independent status subject to the advice of a mandatory until such time as it is able to stand alone.

THE MANDATE SYSTEM

The underlying principle of an international mandate does not differ from that of guardianship, the function of which is the carrying out of duties on behalf of a minor. Article 22 speaks of "mission"—a sacred mission of guidance and assistance to a nation which has not yet attained the standards of an advanced state. The mandatory system, moreover, differs radically from that of a protectorate

in that the former is calculated for the sole interest of the "backward nation," while the latter is intended for the benefit of the colonizing power. There is nothing in the principle of the mandate to justify the political domination of one country over another. It is only a question of guidance and advice in matters of administration; and even that is of a temporary nature.

Should we subject the mandatory system to a careful scrutiny, we would be bound to make the following conclusion: the mandatory power is not supposed to do anything to jeopardize the national interest and aspirations of a mandated people. On the contrary, its main business is to develop and insure national consciousness. In the light of this principle, one can judge for oneself how opposed the Balfour Declaration is to this conception.

Again, Paragraph 4 of Article 22 starts by speaking of certain communities which were detached from Turkey. From this it is clear that the Mandate was designed to protect the interest of the inhabitants of the land rather than the land itself. The expression "some communities" indicates that it was the communities that were intended and not the country inhabited by them.

An international mandate is a sort of legal guardianship which concerns persons more than it does things, and in case "things" are affected, they are so affected for the sake of persons. The Balfour Declaration is putting Palestine in a situation which is utterly inconsistent with the spirit and the terms of the mandate.

At first it seemed to the Arabs that the British Government would undoubtedly set the Balfour Declaration aside on account of its conflict with Paragraph 4 of Article 22. The Arabs expected Great Britain to recognize the principle established by the League

of annulling all agreements which had been previously made and which were later found to be in conflict with the provisions of the League of Nations. Nothing of the kind has happened, however, and at the present time one finds the British Government attempting to carry out the Balfour Declaration in spite of the fact that it is in direct opposition to the article in question.

The statement regarding the communities which were detached from Turkey no doubt refers to the Arabs and the Armenians. The Arabs inhabit the Hejaz, Syria, Palestine, and Iraq. The Hejaz is already recognized as independent, while Palestine and Iraq were placed under a British Mandate, and Syria, including the Lebanon, under a French Mandate.

In apportioning mandated territory, the Supreme Council carried out the terms of the Sykes-Picot treaty except in the case of Mosul and Palestine. According to that treaty, Mosul was to go to France and Palestine was to be given an international administration. Instead, however, both Mosul and Palestine were placed under a British Mandate. In return, France was given 25 per cent interest in the Mosul oil.

THE TREATY OF SÈVRES

Thus Palestine was definitely put under a British Mandate as provided for by the terms of the Treaty of Sèvres, August 20, 1920. Articles 94 and 95 of that treaty state (94):

The high contracting parties agree that Syria and Mesopotamia shall in accordance with the fourth paragraph of Article 22 Part I of the League of Nations be provisionally recognized as independent states, subject to the rendering of administrative advice and assistance by a mandatory until such time as they are able to stand alone. . . . [Article 95] The high contracting

parties agree to entrust by application of these provisions of Article 22 the administration of Palestine within such boundaries as may be determined by the Principal Allied Powers to a Mandatory to be selected by the said powers. The Mandatory will be responsible for putting into effect the declaration originally made on the second of November 1917 by the British Government and adopted by the other allied Powers in favor of the establishment in Palestine of a National Home for the Jewish People, it being clearly understood that nothing shall be done that may prejudice the civil and religious rights of the existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

The Mandatory undertakes to appoint, as soon as possible, a special commission to study and regulate all questions and claims relating to the different religious communities. In the composition of the commission the religious interests concerned will be taken into account. The chairman of the commission will be appointed by the Council of the League of Nations.

The contradiction of Article 94 to Article 95 is clear. Moreover, the inhabitants of all these lands are Arabs having in common religion, speech, traditions, and political and social aspirations. The reason for the inconsistency is to be found in Article 95, which makes the Mandatory power in Palestine responsible for the carrying out of what is called the "Balfour Declaration." To carry out the stipulations of this Declaration it is necessary to violate the terms of Article 22 of the Covenant, because Palestine, like her sister states, Syria and Iraq, should certainly have been dealt with as territory detached from Turkey as mentioned in Paragraph 4 of the Article in question. Moreover, to give the Mandatory power a direct administration of Palestine instead of furnishing it with advice and guidance is an open violation of Article 22 as well

as the principles which were announced by the Allied Powers. In other words, Article 95 of the Treaty of Sèvres abrogates Article 22 of the League of Nations Covenant, so far as Palestine is concerned.

THE ZIONIST VIEWPOINT

Jewish writers have attempted to prove that no such contradiction exists between the different articles. Perhaps the strangest example of such attempts is to be found in the words of Stoyanovsky in his book entitled *The Mandate for Palestine*. On pages 41 and 42 we read:

In the opinion of the Mandatory it was impossible to recognize the above provisions with the granting of unqualified autonomy to the present population of Palestine, since such an autonomy would imply the right to dispose of the country by legislative and administrative measures even against the obligations assumed by the Mandatory. The present population of Palestine is indeed only a part of the much larger population whose connection with Palestine has been internationally recognized. The Jewish people as a whole may be considered, for this particular purpose, as forming virtually part of the population of Palestine. The Mandate System has been applied to Palestine not merely on account of the inability of its present population to stand alone as is the case with the other mandated territories, but also, and perhaps chiefly, on account of the fact that the people whose connection with Palestine has been recognized is still outside its boundaries. The Mandatory power thus appears not only as a Mandatory in the sense generally given to this term but as a kind of provisional administration in the interest of an absent people. In this capacity the Mandatory has assumed an obligation not toward the actual but the virtual population.

According to this author, who reflects the sentiment of those who defend the Zionist policy, there is no conflict between Article 22 and the

present practice of a direct administration of Palestine by the Mandatory power; because the true inhabitants of Palestine are the Jews who are today living all over Europe and America. Thus, in his opinion, the real aim of Article 2 of the Mandate is to make it possible for the Jews to return to their national home. And in case they did return and constitute the majority of the population, then the British Government would be obliged to enforce the terms of Article 22. At present, however, the British Government endeavors with all the means at her disposal to put the country in such a condition as will facilitate the implications of the above-mentioned article.

Zionists go a step farther when they attempt to reconcile Article 22 with their policy of a national home. Stoyanovsky again says:

It has been alleged that the obligations undertaken by the Mandatory for Palestine with a view to carrying out the national-home policy are inconsistent with those of the Mandatory in his capacity as such. In other words, it has been said that the Mandate for Palestine in its present form is incompatible with Article 22 of the Covenant, because the mandates system as contemplated in that Article is instituted in the interests of the actual inhabitants of the mandated territories while the Palestine Mandate contemplates the interests of a people actually outside the territory. The criticism is thus concerned with the underlying principle of the mandate system as applied to Palestine. But the main object of this system is to guide towards the independence and self-government of those races, peoples or communities who for various reasons are not yet able to stand alone. This is also the very object of the national-home policy which aims at giving the Jewish people the necessary assistance to form in Palestine an independent and self-governing community. The underlying principles not only of the mandate system but of the Covenant as a whole, are thus giving effect to the

national-home policy. There seems to be no valid reason for doubting that this policy in itself follows directly from the principles of nationality and self-determination upon which the Covenant of the League of Nations largely rests.

In defense of the theories for the national home, some writers know no bounds, as is shown by the following:

The real point and the only point appears to me to be whether it can be said that the scheme contained in Article 2 [of the Palestine Mandate inaugurating the National Home policy] is inconsistent with Article 22 of the Covenant. I am clearly of opinion that there is no such inconsistency. Article 22 of the Covenant does show that the general object is to secure the well-being and development of mandated territories. Article 2 of the Mandate of course deals with a special scheme of immigration and settlement, viz., that of the Jewish people. But I see absolutely no inconsistency between the two. It may well be that a judicious scheme of immigration is the best possible method of developing the resources of Palestine and securing the well-being of that country.³

According to this curious logic we may well say that the bringing of Armenians to crowd out Syrians in Syria and Persians to jostle Iraqians in Iraq and thus make the former a national home for the Armenians and the latter a national home for the Persians is not inconsistent with Article 22 so long as Armenian and Persian immigration adds to the prosperity of those countries. It may as well be argued that it is a desirable thing to undermine the national existence of any people provided such an action brings prosperity to it.

As is stated by Professor Berriedak Keith, the policy of a Jewish national home in Palestine is nothing short of a fatal blow to the principle of self-

determination. Stoyanovsky asks why the Jews are not entitled to self-determination. But supposing the Jews were able to organize a state which would be recognized by international law, would they have the right to organize such a state at the expense of another people's existence? What would the Irish people say, for instance, should the Jews choose Ireland for their national home? What would be the Spaniards' reply to an Arab demand for a national home in Spain?

AUTHORITY OF THE MANDATORY

In truth, the Mandate for Palestine gives the British Government absolute power over the country. Article 1 says: "The Mandatory shall have full powers of legislation and of administration, save as they may be limited by the terms of this Mandate." No doubt such a provision is also at variance with Article 22, as it confers on the mandated power all the authority which is needed for legislation and administration. The Mandate, under these circumstances, becomes nominal; for if the mandated power possesses all the rights of legislation and administration in Palestine, the country becomes a mere dependency without political rights.

Surely Paragraph 4 of Article 22 was never intended to deprive the Arabs of their rights in Palestine and to subject the country to the absolute authority of the mandated power, which is now Great Britain. It is said that such authority was granted to the mandated power by the Supreme Council of the Principal Allied Powers. But who gave those powers the right to dispose of Palestine as they pleased and turn it over to Great Britain? One might venture the reply that Palestine was a part of the Ottoman Empire, and according to Article 119 of the Treaty

³ Statement by Sir William Finlay on the Palestine Mandate (O. J. July-August, 1921, p. 444).

of Sèvres, Turkey ceded Palestine to the Principal Allied Powers, which cession transferred the sovereignty to them. But it must not be forgotten that the Treaty of Sèvres was abrogated, which left Turkey without any legal control over Arab countries.

Moreover, how can the Turks claim any sovereignty over the Arabs who joined the Allies and drove the Turks out of Arab territory with the sole intention of securing their independence from them? Under those conditions, were the Turks entitled to make a gift of Palestine to the Principal Allied Powers to do what they wished with it as if it were nothing but chattel?

The truth is that European diplomacy deceived the Arabs on three different occasions. In the first instance the Arabs were promised independence if they would join the Allies in their attack on the Turks. And when the Turks were defeated through the co-operation of the Arabs their reward was Article 22 of the Covenant of the League of Nations, placing portions of former Turkish territory under a Mandate, which was anything but the promised liberty and independence. Not content with this blow, the Allies inflicted a foreign government which has shattered all Arab hopes of independence. As a coup de grâce, the Allies devised the obnoxious "Balfour Declaration" which is in utter disregard of Article 22 and, if continued to be carried out, will wipe out the Arab nationality in Palestine and replace it by the national home for the Jews.⁴

⁴Cf. *Palestine Statement of Policy by His Majesty's Government in the United Kingdom*, Oct. 1930 (Cmd. 3692). "... His Majesty's Government ... will not be moved ... from the path laid down in the Mandate, and from the pursuit of a policy which aims at promoting the interests of the inhabitants of Palestine, both Arabs and Jews, in a manner

THE GOVERNMENT OF PALESTINE

As to the government which was instituted in the Holy Land, one might remark that it is made up of officials appointed by His Majesty's Government. Article 5 of the Palestine Constitution, which was drafted by Great Britain in 1922 and about which the people of Palestine were not consulted, states:

The High Commissioner shall do and execute in due manner all things that shall belong to the said office, according to the tenor of any Orders in Council relating to Palestine and of such Commission as may be issued to him under His Majesty's sign manual and signet, and according to such instructions as may from time to time be given to him, for the purpose of executing the provisions of the Mandate, under His Majesty's sign manual and signet, or by Order of His Majesty in Council or by His Majesty through one of his Principal Secretaries of State, and to such laws and Ordinances as are now or shall hereafter be in force in Palestine.

The High Commissioner, then, who is appointed by His Majesty according to Article 4 of the Covenant of the League of Nations "acting by and with the advice of the Executive Council" constitutes the government of Palestine. The above-mentioned Council today consists of officials appointed by the High Commissioner, viz., Chief Secretary, Attorney-General, and Treasurer, who are all British. The heads of all departments of the government of Palestine are either Britishers or Jews,⁵ and are likewise appointed by the High Commissioner.

which shall be consistent with the obligations which the Mandate imposes" (p. 5).—H. V.

⁵There is only one Jew at the head of a Government department. All heads of departments are from the British Civil Service, and their appointment is subject to the approval of the High Commissioner.—H. V.

In the light of all this, therefore, can one say that the Balfour Declaration and the Mandate for Palestine are not inconsistent with Article 22 of the Covenant of the League of Nations? Indeed, one has to be totally blind in order to deny that the sun is shining.

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The Proposed Palestine Constitution

By JAMAAL BEY HUSSEINI

IT HAS been announced in the Statement of Policy of the British Government with regard to Palestine that the Palestinian Constitution will generally follow the lines of the Constitution of 1922, that has been duly rejected by the Arab inhabitants who form the overwhelming majority of the population.

A detailed survey of this Constitution does not fall within the scope of this concise statement, but a brief description of the outlines is necessary.

THE EXECUTIVE

The executive powers of the Government of Palestine are totally and exclusively vested in the British High Commissioner, who, with his Executive Council of three British members under his chairmanship, is supposed to see that the provisions of the Mandate are properly executed in the manner prescribed to him from time to time by the Government of His Britannic Majesty.

The High Commissioner and the British officers of the Government, who invariably hold the responsible posts in the Administration, are appointed by His Majesty's Government; and the High Commissioner, subject to the directions of the Secretary of State for the Colonies, appoints all other Government servants and prescribes their duties. He moreover, according to the directions of the Secretary of State, suspends or dismisses any person holding a public post.

All rights pertaining to public lands and all other public properties, such as mines, minerals, and so forth, are vested exclusively in the High Commissioner in the capacity of trustee for

the Government of Palestine; and he defines the boundaries and divides the country into districts for all administrative purposes. Public funds are administered by the High Commissioner in the manner he thinks fit, without control by any representative body.

The High Commissioner is both the Governor and the Commander-in-chief, and the final responsibilities of public security rest with him. Thus the responsibilities of the High Commissioner in Palestine do not correspond to, but are much greater and wider than the responsibilities of the High Commissioner in any of the mandated territories that fall within the same category as Palestine, such as Syria, Iraq,¹ and Trans-Jordan. Here he holds the responsibilities and executes the functions of the governor of a lower-grade colony under the control of the Secretary of State for the Colonies.

THE JUDICIARY SYSTEM

The judiciary system provides for the existence of magistrate courts in most subdistricts and all districts. District courts sit in the more important towns as courts of first instance and as appellate courts for the magistrate courts. A Court of Criminal Assize deals with offenses punishable with death, and special land courts deal with questions concerning the titles to immovable property. A Supreme Court of Justice sits to hear

¹ Since this article was submitted, arrangements have been completed to admit Iraq as a member of the League of Nations, and for Great Britain to give up its Mandate over that country.—H. V.

appeals from district courts and land courts or Courts of Criminal Assize. The Supreme Court also sits as a High Court of Justice to deal with petitions not within the jurisdiction of any other court. Certain appeals may be submitted for final decision to the Privy Council, London.

Questions concerning personal status are dealt with on the whole by the religious courts of the different communities.

The High Commissioner may deport any person from Palestine whom he thinks to be dangerous to peace and public security of the country.

Any religious community or considerable section of the population may send in petitions to the League of Nations if it wishes to complain that any term of the Mandate is not being carried out by the Mandatory.

English, Arabic, and Hebrew are to be upheld equally as the three official languages, and all official forms and proceedings may be conducted in any or all of these languages.

It should be borne in mind that the principal judges in all the courts are Britishers. This is a quite different procedure from that adopted in the other "A" mandated territories, where a few foreign judicial advisers or inspectors assist in the departmental administration of justice.

Furthermore, the existence of three official languages incurs great expense in order to provide for a swarm of interpreters and translators, three sets of linguistic clerks and typewriters, and the consequent sundry expenses.

LEGISLATION

The Constitution provides for the establishment of a Legislative Council composed of the High Commissioner as chairman, and twenty-two members, of whom twelve are to be popu-

larly elected in a rough proportion to the numbers of the followers of each of the three communities, and ten are to have seats *ex officio* as heads of departments, all of whom are Britishers, Christians, or Jews.

The franchise extends to all male Palestinians above the age of twenty-five, with certain usual exceptions, as those who have lost their civil rights, and so forth. The elections, following the Turkish system known in the country, are indirect; they consist, in the first stage of the election, of secondary electors in the proportion of one to every two hundred of the primary registered voters. The secondary electors are divided into twelve colleges and grouped by communities. Each college is to elect one council member. The Christian and Jewish communities are to have at least two members each.

All legislation pertaining to the financial functions of the Government, including the imposition of taxes and the appropriation of public funds, is to be initiated by the High Commissioner only, who also may render any legislation passed by the council inoperative by his dissent. All legislation to be passed must be in accord with the provisions of the Mandate, and any legislation to the contrary will be ruled out by the veto of the High Commissioner. His Majesty the King reserves for himself the right to legislate, if and when necessary, on questions relating to peace, order, and good government in Palestine, and His Majesty may, within a period of one year, abrogate any legislation that has been assented to by the High Commissioner.

The council members are elected for a period of three years, but the High Commissioner may by proclamation or prorogue dissolve the council at any time.

A committee of at least one-half of the unofficial members of the Legislative Council will be formed to confer with the High Commissioner upon all matters concerning immigration. In case of any difference of opinion between the High Commissioner and this committee, the question will be forwarded for final decision to the Secretary of State for the Colonies, London.

With this restricted representation in this council of restricted powers, the Arabs of Palestine were far from being satisfied. They argued that the official members of the council, who are naturally bound to execute the Zionist program as embodied in the Balfour Declaration, together with the Jewish members would form a majority to apply the terms of that Declaration by legislation in the name of the whole country. To find themselves in a position to accept legally and execute actually the terms of the Balfour Declaration is a thing the Arabs of Palestine—Moslems and Christians—could not countenance. On the other hand, to the Arabs, who had enjoyed the benefits of a democratic rule during the preceding few years under the Turks, the jurisdiction of the council appeared to be scanty and finally of no avail. This led them to take a negative attitude, and in 1923 they boycotted the elections for the council so successfully that the Mandatory found himself obliged to annul the elections and establish an Advisory Council of official members.

THE CONSTITUTION—MADE IN ENGLAND

The mandatory system of government is an innovation following the Great War that was so terribly felt during its ravages and so terribly forgotten thereafter, and is based upon

Article 22 of the Covenant of the League of Nations, paragraph 4, which reads as follows:

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

This provision governs the "A" mandated territories, of which Palestine, according to the Mandate, is one.

It is difficult to read this basic provision without being impressed by the fact that inhabitants of the "A" mandated territories are meant to lay down their own constitutions with the advice of the Mandatory. This is actually the case in the other "A" mandated territories of Iraq, Syria, and Trans-Jordan. The Constitution of Palestine, however, was cooked and canned in London and dispatched to Palestine for consumption.

It is obvious that the British Government evaded the usual procedure in laying down the Palestinian Constitution in order to give full protection to the Balfour Declaration, which would be very roughly handled and finally abrogated by a democratic government. The Secretary of State for the Colonies (Mr. Churchill) in 1922 stated that "the Balfour Declaration precludes, at this stage, the establishment of a National Democratic Government." It may be argued, however, that if the creation of a democratic government in this age of democracy falls within the sphere of the meaning of the term "civil rights," then these rights must preclude the execution of the Balfour Declaration, which lays down the condition that "nothing shall be done which may prejudice

the civil and religious rights of existing non-Jewish communities in Palestine."

The term "mandate" and the provisions of Article 22 of the Covenant of the League of Nations which defines it, particularly with regard to the territories that have been released from Turkey, both import the existence in a mandate of two distinct governments—the foreign mandatory and the local government under his mandate—the one as a master to teach, and the other as a pupil to learn. The legal meaning involves two persons, a guardian and a minor.

There is scarcely any relation between this actual conception of a mandate and the mandate that the Palestinian Constitution recognizes. For here the Mandatory is His Majesty's Government, and the government under its mandate is His Majesty's Government which actually directs, and its British nominees who actually execute the Mandate. In this combination the people of Palestine have no political existence other than that of a very low-grade colony. They are not the pupils to learn until "such time as they are able to stand alone," because they have no responsibility; and they are not the minors to gain experience, because according to this Constitution they are offered no real opportunities to do so.

Conditions in Iraq and Trans-Jordan, both "A" mandated territories and both under the Mandate of Great Britain, present a very different aspect in this question. Both have local responsible governments assisted technically by British advisers nominated by the Mandatory. The duration of the Mandate in these territories seems to be limited in the case of Trans-Jordan, and in the case of Iraq its life seems to be only a question of days.

CONFLICTING PRINCIPLES OF THE CONSTITUTION

The preamble of the Constitution lays down as a basic principle that the Mandatory is bound (1) to give "effect to the provisions of Article 22 of the Covenant of the League of Nations," and (2) to put "into effect the declaration originally made on the 2nd November, 1917, by the Government of His Britannic Majesty, . . . in favor of the establishment in Palestine of a national home for the Jewish people" (the Balfour Declaration).

In the reconciliation and the execution of these two provisions crouches the stubborn problem of Palestine. While the one is based on the principle of self-determination, as later interpreted by the League of Nations in Article 22 of the Covenant, the other is based on the old right of conquest. The Arabs will not agree to anything short of independence that will be realized sooner or later; the Jews will have nothing less than that the country should be placed in "such political, administrative and economic conditions as will secure the establishment of the Jewish national home." Under the stress of these two conflicting impressions the clash was and will ever be inevitable. The interpretations of the Mandatory have convinced neither the Arabs nor the Jews.

THE CONSTITUTION VERSUS THE MANDATE

The Constitution is considered to be based on the Mandate for Palestine and is regarded as its legal enforcement. According to this Mandate, the Mandatory is made responsible for "the development of self-governing institutions." It should be noted that the word "institutions" is in the plural. In the political and civil sense the word "institutions" could

never mean anything less than the executive, judicial, and legislative establishments of a government. But the Palestinian Constitution does not provide for the establishment of such executive and judicial institutions, and in the case of legislation the provision is scanty and does not correspond to the requirements of a people who are supposed to be independent, "subject to administrative advice and assistance by a Mandatory," in accordance with Article 22 of the Covenant of the League of Nations.

During the Turkish régime the inhabitants of Palestine enjoyed wide measures of self-government.² Palestinians, therefore, find in the proposed Constitution, with all its restrictions and deprivations in its different institutions, a very poor substitute for all that they possessed before they were "liberated" by the great democratic nations of this world.

It has been repeatedly stated by the different authorities that this Constitution, with its Legislative Council, is the first step in the way to self-government. This assertion is not corroborated by the facts that: (a) the inhabitants of Palestine have had long experience in the management of self-governing institutions, and the Mandate is supposed to push them forward in the way to democracy and not to pull them backwards; and (b) ter-

ritories under similar mandates, as Syria and Iraq, the inhabitants of which are not higher in the grades of civilization nor have they had more experience in democracy than the inhabitants of Palestine, are now enjoying much wider measures of self-government than this Constitution gives to Palestinians.

The Palestinian Constitution that is now in effect, excluding the legislative part, has, after a lapse of nine years, entailed disastrous economic and political consequences. In the words of Sir John Hope-Simpson, who composed the most exhaustive and illuminating official economic report on Palestine, in 1930, "the Arab fellah is little if at all better than he was during the Turkish régime." Furthermore, the riots of 1929, which filled the world with harrowing details, show that the political atmosphere has never before been poisoned so much as during these few years. Again, it is appalling to read in the official reports that crimes perpetrated in Palestine, excluding political disturbances, have increased year by year, from 11,000 in 1920 to 27,000 in 1929.

The two conflicting principles that are laid down in the preamble of this Constitution as well as the Mandate, are bound to make of Palestine a battlefield, real or political, until the policy based on one of these two principles is radically altered.

² See article by Aouni Bey Abdul Hadi, "The Balfour Declaration," in this issue.

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Local Autonomy in Palestine¹

By ISAAC BEN-ZWI

AUTONOMOUS institutions for the inhabitants of Palestine were on the way to being established during the Turkish régime. To understand the present situation adequately, therefore, it is imperative to compare it with the state of affairs here before the World War.

Autonomy may in general be classified as of three kinds—national, regional and municipal. Under the Turks the internal autonomy of subject communities and peoples was developed to a far greater degree than in any other country, be it in the East or in the West. District and municipal autonomy, however, were of an extremely rudimentary and primitive nature. The internal organization of the religious-cum-national communities was the fruit of precedents and a tradition stretching back unbroken for centuries. As a rule, the Turkish Government did not attempt to abrogate or whittle away the inner privileges of such communities as the Greek Orthodox (Rum Milleti), the Armenian (Armeni Milleti), the Jewish (Yehudi Milleti), and so forth. Any prerogatives and rights they possessed were confirmed by the Ottoman authorities, and their authority remained unchanged, unchecked, and unchallenged until the declaration of the new Turkish Republic.

Self-government of the regional or municipal type, however, is a fresh manifestation among the Turks and cannot be found earlier than the latter half of the nineteenth century. There is thus a basic line of demarcation consisting in this: The group autonomy

of religious-cum-national communities is the result of an experience that has been fashioned over a period of centuries, whereas the district and municipal autonomies are no more than an artificial product intended to serve as a shield against more radical desires for an entire separation from the Ottoman Empire, which were to be found among the inhabitants of provinces near and far.

SEPARATIST ASPIRATIONS

Such a centrifugal tendency was to be recognized not only among the Christian peoples who inhabited the Balkans, and the Armenians of Anatolia, but also among the Moslems who dwelt in such widely differing regions as Albania, Iraq, Hejaz, Yemen, and others. To counteract this tendency, the Turks extended a limited measure of regional and municipal autonomy to the inhabitants of non-Turkish provinces, on a basis of either race or language. Not one of Turkey's measures, however, was favorably received by the non-Turkish inhabitants, each coming to grief against the latter's desire to separate themselves entirely from their stepmother, Turkey.

It should be noted that the separatist aspirations of the Moslems were entirely different in their nature from those of the Christian peoples. The ideal of the latter was to renew their independence by the revival of the national entities that had existed prior to the Turkish conquest. Armenia, Bulgaria, Serbia, Rumania, and more particularly Greece longed for freedom from the Ottoman yoke in order to

¹ Translated from the Hebrew by L. Lask.

determine for themselves the forms of their future political existence. In a very limited degree this was likewise true of the Moslem Albanians and Kurds.

In so far as the Arab peoples are concerned, however, the situation is entirely different. The conquering Turks found themselves faced not by the united Arab caliphate of the days of Omar and the Omayyads, but by a congeries of independent kingdoms and states *which had existed for centuries beside each other*, lacking both desire and capacity for union. One by one, the Turks leisurely conquered the territories that had been settled by the Arabs: Egypt, Syria with its immediately dependent Palestine, Iraq which was its own master, and all the kingdoms of North Africa, with the Arabian Peninsula. Each of these countries strove to free itself and return to its earlier state, without any united aim or purpose among them. The common element to be discovered in all these regions was that no inhabitants, wherever they might dwell, were prepared to be satisfied by this or that modicum of local autonomy so long as they willy-nilly had to remain an inseparable link in the chain of the Turkish Empire.

THE PROBLEM OF ARAB RULERS

The sudden and fundamental changes which came about as a result of the World War brought the slow process of dissolution which the Turkish Empire was undergoing to its catastrophic end; all the non-Turkish sections of the Empire dropped away. The Arab countries found themselves faced by new difficulties such as result from the endeavor to establish new states. The burning problem which had to be faced by the ruling classes of those countries was that of hegemony—of unity in a double sense, both

that of general politics and that of the internal Arabic situation. The problem first expressed itself in the debate as to who would become the leader of the Federation of Arab peoples; would he be of the Moslem Hashimite family of Hejaz, or the Wahabi ruler of the Nejd? Would he be found in the family of the imam of Yemen, or in that of the kings of Egypt?

This question was naturally of interest, foremost of all, to the upper classes, to the families of the Moslem effendis and landowners who hoped for positions and appointments in Government service; to such, of course, it was a matter of prime importance whether Hejaz, Syria, or Egypt would serve as the reservoir whence the rulers of the Arab countries would be drawn. And it is just these elements that are not interested in democracy—in the people's control over their own destiny through their representatives and delegates. On the other hand, it is to be safely assumed that the majority of the people, composed of fellahin and laborers without property, together with the rank and file of the town dwellers, are chiefly concerned to express themselves in their local representative institutions through trustworthy delegates. Experience has proven that the political independence of a state neither necessitates nor implies even the least modicum of democracy within that state. The independence of Hejaz, for example, is coexistent with a complete lack of any parliamentary institution; this applies equally to Yemen, Hadramaut, and the other kingdoms, emirates, and so forth, of the Arabian Peninsula. Nor is the situation much better in Trans-Jordan, where an assembly of "parliamentary" character is to be found which actually contains not a single representative of the toiling majority of the inhabitants, but provides an arena in

which the various tribes compete with each other for power and posts.

In Palestine, the controlling Arabian circles who approve the principle of "Arab Empire" are not concerned with the needs of the actual laboring population nor with democratic institutions; more particularly as such institutions lack all imperialist potentialities. These aspirations of the ruling classes are directly opposed to the interests of the broad masses, who are concerned first and foremost with the expression of their views concerning vital economic, cultural, and social problems.

Regarding this, the attitude of the Yishuv² is perfectly clear. All classes and sections among the Jews are concerned in strengthening the existent union between Cis and Trans-Jordan Palestine by augmenting economic opportunities and conditions, by developing social life, and by establishing local administrative institutions to serve as a firm basis and pledge for a country-wide democratic edifice in consonance with the various elements and interests present within and helping to constitute this union—these being the different classes and peoples who in the future stand to be the natural participators in this state—without in any way confusing the cultural and economic characteristics by which the peoples inhabiting this country are distinguished.

Hence it becomes clear that the Yishuv is concerned, for objective and tangible reasons, in satisfying the justified requirements of the toiling masses, including tillers of the soil, fellahin, and town dwellers, and is not attracted by the goal of power set before the ruling classes, with the unavoidable exploitation and violation of human rights involved in the attainment of

that goal. There would appear to be no valid reason for Jews to be interested in any attempt to replace the defunct Ottoman Imperialism by a similar one which may happen to be of Arab or other composition.

THE VILAYET COUNCILS

In the final phase of the Ottoman kingdom, certain administrative forms were established which allowed a limited autonomy to the inhabitants of the vilayets on the one hand and to the inhabitants of the larger towns on the other. The Temporary Ordinance regarding the General Administration of the vilayets, dated March 13, 1913, appointed a special council for every vilayet, the members of which belonged to two classes: (1) natural or ex officio members, composed of district Government officials such as the vali or his deputy, the secretary, the accountant, the director of education, the chief of police, the director of agriculture, the religious judge, the mufti, and the chiefs of the non-Moslem communities; and (2) four elected members who had to be Ottoman subjects, aged thirty or upwards, knowing how to read and write, and paying not less than fifteen piaster tax during the year. In practice, these members were not elected by the inhabitants but were appointed after an involved procedure in which the towns at the center of the vilayets took some limited part. Among the others, the vilayets of Damascus and Beirut, with the Munjab of Jerusalem, profited from this "democratization." (Here I mention the vilayets to which belong the various sections of what is now the Mandated Territory of Palestine.)

The competence of the council was limited to two functions: (a) to discuss and pass resolutions, and to make suggestions and express an opinion regarding all regional affairs as set out in

² "Yishuv" is the term used to describe the Jewish community in Palestine.

the Ordinance: and (b) to supervise the behavior of the vali and his administrative council. To the latter end, the council would hear addresses by the vali, and exercise its functions during a single session of forty days annually. Against the greater number of the council's resolutions an appeal could be lodged before the Imperial Council by the vali, while some would be certain to receive confirmation. The definitive resolutions of the council (such as neither required confirmation nor could be appealed against) could only be few and far between. Everything concerning the budget, loans amounting to more than a third of regular income, and long-term concessions, always required confirmation from higher quarters.

These general indications make it clear that the vilayet councils were first and foremost administrative institutions which neither gave nor could give satisfaction to the wish for autonomy found among the inhabitants. And far less could this institution satisfy the desire for self-government to be found among the various peoples and communities composing the Ottoman Empire.³

MUNICIPAL ADMINISTRATION

The second element of local autonomy was the ordinance of *Self-Government in the Municipalities*. Municipal administration was at first established only in Constantinople (in 1274 A.H.), but at the first session of the (first) Turkish Parliament a law was passed according to which a municipality had to be set up in every town. In practice this statute was acted on, with slight variations, as long as the Turks remained in power, and, despite the Local Council Ordinance

of 1921, which introduced very few important changes, has not been supplanted in practice under the British régime, though thirteen years have passed since the Occupation. Immediately following the British Occupation of Palestine, the personnel of the municipalities was appointed administratively by the Government. Five years ago (in 1927), elections were held in the twenty-two municipalities of Palestine for the first and only time. For various reasons the Government has decided to postpone them and extend the competence of the acting municipalities for an indefinite period.

The municipalities are competent to deal with cleaning and sanitation, security, water supply, lighting, and traffic. Cleaning and sanitation include the supervision of slaughter and so forth. The municipality has the right to levy taxes on dwellings, on slaughter, and on the issue of various licenses, payment being assured by the local police. The duties which had to be performed by the municipalities in the days of the Turks have remained entirely unaltered.

In so far as municipal elections are concerned, the right to vote is in general limited to the very select class of citizens paying the Werko (Government) or else the municipal tax. The minimum amount of the Werko tax which gives one the right to vote is fifty piasters,⁴ and of the municipal tax a hundred piasters, annually. A second limitation is that the right to vote for representatives to the municipalities is allowed only to *male citizens* of Palestine. It was thus possible that in a city like Jerusalem, which had over 90,000 inhabitants, less than 4,000 people (less than 5 per cent of all the inhabitants) were entitled to vote in 1926. This needs to be compared

³ See "Local Administration in the Vilayet," by D. Ben-Gurion, published by *Achdut*, Jerusalem, 1914 (in Hebrew).

⁴ About \$2.50 at par.

with Tel-Aviv, where additional laws are in use; out of 45,000 people there were 20,000 (about 45 per cent) entitled to vote.

DEMOCRATIC AMENDMENTS HELD IN ABEYANCE

All these defects, from a democratic viewpoint, in the existent law require basic alterations. It would seem that the Government itself has become aware of these defects to a certain degree, for it has more than once informed the inhabitants that it is preparing amendments of a democratic nature to the Municipalities Ordinance. But, despite the fact that a draft Ordinance is known to have been ready for two years, such amendments have not yet been made public.

It is of interest to note that precisely during the last three or four years, when the suggestion of the creation of an elected national institution with legislative powers is once again on the agenda, there seems to be an utter standstill in the development of local and municipal autonomy. It is even possible to perceive a certain retrogression, or at least a definite tendency in certain Government circles to limit or diminish the autonomy of the towns and cities instead of expanding it. In support of the above, one need only point to the Government's energetic interference in all that concerns municipal budgets, more particularly when the details hinge on the appointment of responsible officials such as municipal engineers, accountants, and so forth. Many such instances can be cited from the practices of the Jerusalem Municipality. Likewise may be pointed out the Government's desire to take unimpeded control of the levying of taxes, as can be seen by the Municipal Properties Tax administered and collected directly by the Government. A similar tendency

may be observed in the dispute regarding certain concessions belonging to the Municipality of Tiberias, which the Government wanted to place under its own control.

A thoroughgoing contradiction may thus be seen between the familiar official declarations of the Government's desire to provide parliamentary institutions to the country and the practice which renders the limited municipal autonomy nugatory and fictional, defers the elections for an unlimited period, and trains the publicly elected municipal officers to believe that it is their main task to do nothing but refer everything troublesome to the Government.

As we have seen, there is a considerable difference between the ideas of, and aspirations towards, autonomy found among the various strata of the population. Where the upper classes among the Arabic inhabitants aspire chiefly towards political independence and freedom from control, and are prepared cheerfully to resign democratic and communal safeguards, the overwhelming majority of the inhabitants are far more vitally concerned that there should be democratic regional and municipal government on a national basis than they are with exalted problems of political freedom. The Yishuv, for its own part, is naturally concerned that there should be a true democratization of the national communities and municipalities; and for this reason their needs and demands are far closer to those of the masses than to those of the upper classes.

BRITISH EFFORTS TO ESTABLISH REPRESENTATIVE INSTITUTIONS

What was the Government's attitude in face of these divergent and even contradictory aims? In the be-

ginning of Sir Herbert Samuel's High Commissionership, immediately after the civil administration had been established, the Government proposed a national representative institution in the form of an Advisory Council composed of ten unofficial members and twelve ex officio members of the Government. The competence of this council was limited beforehand and made purely advisory. This institution, after functioning for more than a year, went to pieces under the pressure of public opinion, more particularly on the part of the Arabs. Sir Herbert Samuel's Government then attempted to establish a broader institution on the basis of real elections—the general public electing a college which in turn would elect representatives. But this concession did not help either, and the then powerful Moslem-Christian Association, which is controlled by the ruling classes, succeeded in prevailing on the elected Arabs to decline office.

This period of attempts to establish countrywide councils ended in failure, and was followed by a second period of democratization *from below up*, which was in our opinion a far more correct and realistic method. Lord Plumer, the second High Commissioner of Palestine, chose to strengthen the foundations instead of raising a countrywide institution. At the end of 1926 the Municipal Elections Ordinance was published, the towns then containing about 300,000 people, or 40 per cent of the population of the country.

In the beginning of 1927 elections were carried out for the twenty-two municipalities in the country, and everywhere both Jews and Arabs participated. There is plenty of room for complaint regarding the disorder in the administration of the municipalities, and the curtailing of the rights of the Jewish minority by the Arab ma-

ajority, to say nothing of the behavior of the Government, which always took upon itself the easy rôle of satisfying the majority by crushing the minority. Yet, despite all this, experience has proved during the last five years that there is certainly scope for joint work between Jews and Arabs in the municipalities so long as the majority, with the aid of the Government, does not forcibly and more than flagrantly violate the rights of the minority. It should further be pointed out that in those places where there is coöperation between Jews and Arabs, there is a common demand addressed to the Government for the widening of the autonomous bases. Such coöperation was to be found in the municipalities of Jerusalem and Jaffa as long as Jewish representatives participated, and it is still to be found in other towns, such as Haifa, Tiberias, and Safed.

It would seem to follow that Lord Plumer's attitude with regard to forms of territorial autonomy was correct and wise, seeing that as long as he was High Commissioner the country was quiet and there were no untoward disturbances such as occurred in the days of his predecessor and his successor. The essential demand made by the inhabitants was for an increase in the powers of the municipalities and for their democratization; and no one of the Arab leaders who early and late proclaim their noncoöperation with the Government ever dreamt of uttering a ban on these autonomous institutions.

With the change of High Commissioner, the purpose at present dominant again triumphed. Instead of increasing the autonomy stage by stage, as had been the aim in the days of Lord Plumer, proposals for an autonomous territorial institution were again heard, at the same time that all attempts to introduce amendments

into the Ordinance governing the autonomy of the municipalities were deferred:

PROPOSED LEGISLATIVE ASSEMBLY

As early as 1929, before the riots, Sir John Chancellor, the third High Commissioner of Palestine, declared his readiness to establish a legislative council, and his intention was delayed only by the riots (pogroms) of August of that year. Those outbreaks proved to the High Commissioner that it was premature to rest any considerable hopes of the country's accelerated development on an institution that would hand over power to the majority at a time when that majority was utilized by the controlling classes as a weapon for destroying the property and endangering the existence of the minority. At the same time, all attempts to increase the existent autonomy of the towns were postponed, and the

Ordinance prepared for the purpose has not yet seen the light of day.

We are now in a transition period. On the one hand, the establishment of a legislative assembly has been delayed; but on the other, there is nothing to prevent its establishment any day. Even more, there is no surety that it will not be established without the imperative pledges of acceptance of the Mandate and facilitation of the establishment of the Jewish national home. Again, there is no reason to hope that such an institution, if established, will serve as a decisive factor in developing the country from both an economic and a social standpoint. It is rather to be feared that it would function in an opposite direction, and would impede the development of the sources for the growth of those productive economic and social powers and potentialities upon which depends the entire future of this country.

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Local Self-Government—Past and Present

By OMAR BEY SALIH AL-BARGHUTHI

FOR administrative purposes the Ottoman Empire was organized into "vilayets," "mutassarifliks," "kazas," and "nahiahs." The last, being the smallest unit, was made up of a few villages. As a tiny member of this great organization, Palestine comprised three mutassarifliks, viz: Jerusalem, Nablus (Samaria), and Acre. Though a mutassariflik, Jerusalem enjoyed the dignity of a vilayet and therefore dealt directly with Constantinople, while Nablus and Acre were subdivisions of the vilayet of Beirut.

Local self-government under the Turkish system corresponded to the above mentioned organization. It found expression in councils which ran in a descending scale from the dignity of vilayet rank to the humble station of a village. The following treatment will deal with these various forms of self-government and will endeavor to show the changes which have been effected since the British occupation of Palestine.

I. MAJLIS UMUMI—PROVINCIAL COUNCIL

In the last quarter of the nineteenth century the passion of Europe for constitutional government reached the Bosphorus, and the liberal forces among the Turks began to assert themselves. The result was an attempt at a parliament, which, however, met its doom at the hands of the crafty Sultan Abdul-Hamid. Undaunted, liberalism made another charge on the dark power of despotism, and the Young Turks succeeded, in 1908, in establishing a parliament in Constantinople. To this constitutional body, Palestine sent six delegates—three from the Jerusalem

district, two from Nablus, and one from Acre. This share in self-government enjoyed by Palestine, however, came to an end with the British occupation.

The Turkish scheme for the encouragement of self-government created, besides the Parliament at the Capital, a council or assembly in each vilayet or province. It was called majlis umumi—literally, a public council, but really a provincial assembly. It helped in the internal administration of a vilayet, which was the largest administrative unit in the Turkish Empire. The representatives to these assemblies were elected by the same men that elected the members for the Parliament in Constantinople. Each subdivision of the vilayet was entitled to a representative. Moslems and non-Moslems were eligible. The councils met once a year, for a period not to exceed forty days, at the seats of the vilayets, which were Beirut and Jerusalem in the case of Palestine. The body was presided over by the "vali" or governor of the province, and two thirds of the members constituted a quorum.

Thus, these councils were diminutive parliaments, similar perhaps to the State legislatures in the United States. They dealt with such administrative problems as public highways, public works, agriculture, commerce, and education. In this way the people of Palestine, besides having six members in the Parliament at Constantinople, had also considerable share in the provincial administration. No trace of this former participation in government is now left to Palestinians.

II. MAJLIS IDARAH—ADMINISTRATIVE COUNCIL

This body was an advisory council which was designed to help the governors of all grades in the execution of their duties. The vali, the mutasarrif, and the Kaimakam could turn to these councils for advice. The members were ex officio and elected. In the first category came the mufti and gadi (religious court officials) to represent Moslem interests, and the church dignitaries to speak for the non-Moslems. The treasurer and chief clerk of the district sat on this council also. The elected members were three Moslems and a proportionate number of non-Moslems. Like the provincial councils, the administrative council was presided over by the chief official of the mutassarifik.

The duties of this council were of an administrative and a judicial nature. In the first place, it dealt with matters of finance, taxation, public works, land registry, agriculture, tobacco monopoly, tenders, and so forth. The judicial duties consisted of the investigation of accusations brought by the public against government officials, the trial of such, and the settling of differences between government departments. Members of administrative councils were elected in the following manner. The administrative officer called a meeting composed of the treasurer and the religious heads of both Moslem and non-Moslem communities. This group of men nominated candidates, who had to be Ottoman subjects, taxpayers of not less than 150 piasters per annum (approximately \$7.50), and thirty years of age. Of these candidates, two thirds were elected by the "elders" and "notables." Finally, the election was confirmed by the administrative officer.

The administrative councils during

the Turkish régime were to be found in every vilayet, mutassarifik, and kaza; but with the advent of the British all this came to an end, leaving British officers free to do what they pleased without any official responsibility to the public. The former power of the Turkish administrative council is now exercised by the district officers and the Departments of Police and Agriculture. The people of Palestine are thus left without a voice in the government of their local districts and their country as a whole.

III. MAJLIS AL-NAHIAH—DISTRICT COUNCIL

As was seen above, the nahiah was the smallest unit in Turkish administration. The chief official was the mudir, who had a council made up of four members or more, according to the need. He called four meetings a year and presided over them. Such meetings generally took about one week. The problems discussed were of a local nature, consisting of road repair, agriculture, schools, and other matters which the members chose to present.

Such was the Turkish provision for local self-government, which functioned in some districts, while it failed to operate in others. In any case, there was theoretical provision for self-government, and an enterprising and an advanced community could avail itself of it. But with the British, there is neither provision nor a practical avenue for the inhabitants of Palestine to have a share in governing themselves.

IV. MUNICIPAL COUNCILS

Municipal responsibility, with the Arabs, began at the time of their appearance as a world power in the seventh century. It is said that the vigilant second caliph, Umar, took it upon himself to inspect the streets and

supervise street life. He would, e. g. act as traffic officer, forbidding drivers to "park" their camels and horses in crowded spots, and chiding them for overloading their donkeys; he kept an eye on weights and measures, and watched schoolmasters so as to limit their flogging of their pupils. He moreover insisted on municipal licenses for construction and stipulated that streets should be wide in the new cities of Kufah and Basra, which were built by the Arabs in Mesopotamia. Eventually, however, an institution called the "hisbah" was evolved, and its administration was turned over to an officer who may have been equivalent to the present *mâyor*.

The Turks inherited the municipal system from the Arabs, and on different occasions they passed laws governing it. At the entry of the British into Palestine, they found the municipal authorities functioning. In fact, it was the Arab Mayor of Jerusalem, Selim Effendi Husaini, that surrendered the Holy City to the British officers, the morning after the Turks had evacuated it.

Under the Turkish régime, the municipal council consisted of from six to twelve members according to the size of the city in question. They were elected by the people for a period of four years. For president of the council, the Government selected one of these members. Only the president received a salary, while the members did not. Every two years, half of the members were replaced by newly elected successors. Municipal councils employed an architect, a physician, and a veterinary to assist them in their work. Members of the council had to be property holders. Meetings were held twice a week, and a quorum consisted of any number that was more than half the membership. The mayor was the executive head, with

power to make appointments subject to the approval of the council. The duties of the council consisted of the supervision of building, street cleaning and repair, lighting, control of public markets, public places, registry of births and deaths, public health, weights and measures, public morality, and such matters. The administrative overhead of the municipality was not to exceed one tenth of its total income.

Municipal suffrage was extended to every male Ottoman living in a city, who was 25 years of age or over, who paid 50 piasters of property tax a year (\$2.50), and who did not have a criminal record. To be eligible for election, one had to be 30 years of age or over, to pay an annual property tax of 100 piasters (\$5.00), to have some knowledge of the Turkish language, to have a good record, and to be free from military service. Contractors and persons in possession of concessions, or others who were likely to make personal profit from their office, were ineligible.

The municipal revenue was derived from the octroi and other usual municipal taxes.

COMPARISON OF TURKISH AND BRITISH SYSTEMS

It is clear, therefore, that the position of the municipality under the Turkish Government was one of dignity and independence. Government interference was very slight, consisting mainly of the appointment of the mayor from among the elected members. When the British came, however, this local self-government was seriously jeopardized. The Palestine Government has robbed the municipality of many of its prerogatives as regards the appointment of mayors, the suspension of elections, the dismissal of councils, the abrogation of

octroi duties, and the general crippling of its sources of revenue. All such government interference in the internal affairs of the municipalities is looked upon by the people of Palestine as an outrage and an unwarranted trespass on local self-government. The following ordinances will illustrate British interference with local self-government which existed before they came:

Any municipal council nominated since the British Occupation shall be deemed to have possessed and to possess all the powers of a municipal council elected under the Ottoman Law of Municipalities, and shall continue to possess such powers until such time as elections have taken place for a municipal council.

Pending the holding of municipal elections, the District Commissioner, with the approval of the High Commissioner, may nominate or suspend a municipal council or a president or any member thereof, and may replace a president or member who has been suspended.

The Government, moreover, has permitted the raising of taxes on immovable property, with the consent of the district commission, provided it does not exceed 10 per cent of the rental value.

Again, the High Commissioner for Palestine, upon the recommendation of the Chief Justice, may appoint a magistrate for a municipal court, thus depriving the municipalities of their own courts. On March 16, 1929, the Government passed the Local Authorities Ordinance, limiting the powers of municipalities, reserving to itself the right to audit their books, and to modify or to veto such decisions of municipal councils as it sees fit.

The High Commissioner has the right to dismiss a mayor or a member of the municipal council and appoint one in his place. The High Commis-

sioner may extend indefinitely the term of municipal councils and thus suspend elections. While under the Turks elections were held regularly, only one municipal election has been held under the British. On February 1, 1930, another ordinance was passed suspending elections and leaving municipal councils as they were.

Comparing the position of municipalities under the Turks and under the British, one cannot help concluding that the former aimed at granting them freedom of action and only slightly supervised them, while the latter's aim seems to be to cripple their power and make them a mere instrument in the hands of the Central Government. Thus, municipal councils have deteriorated into mere government departments, after they had once been independent local agencies.

To the credit of the British, however, one may say that they organized thirty Arab village local councils and six Jewish, a thing which the Turks never did. The arbitrary British usurpation of municipal power, although it robbed the population of its rights, has tended to improve sanitary conditions, modernize the streets, and minimize corruption. The Government Public Health Department has taken over sanitary control from the municipality, and has done much for general cleanliness and for the eradication of the malarial mosquito. It has drained marshes and supervised food supply. Health conditions under the British régime are better than they were with the Turks.

Thus, local freedom has been sacrificed to efficiency, and one wonders if the two could not be combined. Other comparisons of the Turkish with the British system are:

1. Whereas in the Turkish system all religious communities or sects were

represented, under the British, only communities constituting one tenth of the population or over have that privilege.

2. The British insist that suffrage should be dependent on the payment of taxes.
3. With the Turks, the appointment of the mayor was dependent on the candidate's being one of the three members with the most votes, while the British appoint whom they please.
4. Formerly, one with a legitimate excuse could vote *in absentia*; but the present practice does not permit that.

V. COUNCIL OF ELDERS

Still another form of local self-government was the simple "Council of Elders" of a village, which looked after the local interests of its community, such as settlement of disputes, entertainment of guests, cleaning of streets, and apportionment of local taxes.

VI. COMMITTEES

Finally, as agencies of local self-government may be cited such committees as those of the *awqaf*, i. e., religious funds and education. The former assisted in the management of the pious foundations, and the latter advised educational authorities in such matters as the curriculum, the appointment of teachers, and the building of schoolhouses.

CONCLUSION

One is able to conclude from this discussion that the Turkish Government, though reputed to be despotic and opposed to liberal policies, did make provision for its subjects to participate in the government. For this purpose it created these councils, beginning with the largest province and ending with the smallest district. The provincial assemblies may be called small parliaments or legislatures. They were local, indigenous, and part and parcel of the land. They understood the real needs of the country and could render service towards the meeting of these needs.

Today, one is puzzled to see enlightened Great Britain, the traditional exponent of modern democracy and the home of the mother of parliaments, governing Palestine in a less democratic fashion than did the "unspeakable Turk." The British Mandate for Palestine is being carried out by British officials who are foreigners to the country and who are unacquainted with its traditions. Great Britain governs the Holy Land by its own officers, without reference to the wishes of its people, and decidedly against their interests.

One regrets to see the British barter their birthright, sacrifice their democratic instincts, and perhaps sell their soul, in order to carry out a hasty and an ill-conceived Declaration by the late Lord Balfour.

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Palestine Legislation Under the British

By BERNARD JOSEPH

AT THE time of the occupation of Palestine by the British military forces, Ottoman Law was the law of the land. That system of law was for the most part codified. The principal book of law was the *Mejelle* or Civil Code, based on Moslem religious law as laid down hundreds of years ago. The *Mejelle* seeks to provide for the simplest of legal relations in such matters as sale, hire, pledge, deposit, partnership, gift, and agency, and lays down some rules of evidence and procedure. Although founded on elementary principles of justice, the *Mejelle* is archaic, incomplete, and suited only to the needs of a simple peasantry ignorant of the ways of twentieth-century organization.

TURKISH LEGISLATION

The Turks sought to remedy the inadequacy of the *Mejelle* by promulgating a Commercial Code in 1850. This code is based on French Commercial Law, but lacks clarity. It treats of partnerships, bills of exchange, and bankruptcy, but in an inadequate manner and without providing for the development of commercial relations since the inception of the industrial age. It practically ignores the existence of limited liability share companies, trade-marks, and patents.

In the year 1879 a Code of Civil Procedure was enacted. It furnished a basis for the orderly regulation of litigation. A Law of Execution setting out the manner of enforcing judicial decisions was promulgated in 1914.

The laws applicable to immovable property were contained in a Land

Code introduced in 1858 and in several supplementary laws relating to partition, inheritance, mortgage, and lease of immovable property. Land Registries were opened by the Turkish Government in 1860, but only a small part of the land was registered, and titles to land remained to a great extent in a state of confusion. The Land Code is not comprehensive, and maintains the antiquated land system intended for a subjected agricultural people.

To meet the requirements of the maintenance of law and order, a Penal Code was drawn up in 1858, and a Code of Penal Procedure in 1883, also based on the French law. These, too, were not suited to the needs of a progressive community and were clumsily adapted to and artificially superimposed upon the indigenous population. In addition, there was legislation which provided for procedure before magistrates and for fiscal and other matters, which was no better than the codes of law. The laws were enforced by corruption-ridden courts subject to the system of capitulations and to interference in matters of personal status by the Moslem and other religious courts.

BRITISH POLICY

It was this unsatisfactory body of laws which the British authorities found in the country. It would have been simple and, from the point of view of the speedy development of the country, more advantageous and convenient if the old laws had been replaced by one stroke by an up-to-date code providing for all the requirements of a progressive country. Two factors operated against the adoption of such

a course. The British policy is averse to interfering unduly with existing customs and laws by forcing sudden changes upon the indigenous population. It is also not in keeping with British legal tradition and constitutional practice to codify the law. The great system of the common law built by decisions of the judges made as occasion arose, has become a part of the legal outlook of the British people.

In setting about to govern the country and mend its laws to meet the needs of the new industrial and commercial development which it was anticipated would go hand in hand with the building of the Jewish national home in Palestine, the Government acted in conformity with both these rules of practice. Instead of enacting that the common law of England should replace existing laws, it accepted the Ottoman Laws as they were in force on November 1, 1914, as the basic law to be applied, and set about gradually to make the requisite amendments.

The practical, matter-of-fact manner in which the Government proceeded is apparent from the legislative acts to which it put its hand while the country was still under military occupation. The Commander in Chief of the Army provided for such things as the reinstatement of taxes in force under the Turkish Government prior to the War, punishment for conducting disorderly houses or practicing prostitution, prohibition of the sale of intoxicating liquor to children, remission of house and land tax on educational institutions, regulation of the vocation of petition writers, licensing of printing presses, prohibition against cutting down olive trees without license, provision for protection of Jerusalem water supply, registration of clubs and societies, regulation of trades affecting health, the protection of tenants against excessive rent charges, con-

servation of antiquities, and prevention of profiteering.

LEGISLATION OF THE CIVIL ADMINISTRATION

On the first of July, 1920, a civil administration under Sir Herbert Samuel, first High Commissioner for Palestine, took over the Government of the country from the military. To it fell the task, *inter alia*, of revising the laws of the country, at first on the advice of a nominated Advisory Council, and from 1925 with the advice of that Council which is made up only of official members.

It will not be possible to give more than the barest outline of the vast amount of legislation created by the unremitting efforts of a devoted Attorney-General, Mr. Norman Bentwich, who may rightly be regarded as the father of modern legislation in Palestine. Its extent can be realized from the fact that in the eleven years from 1920 to 1930, no less than 380 ordinances were promulgated, in addition to voluminous regulations and notices on diverse subjects.

The Civil Administration set its hand to providing by legislative acts for the needs of a country which was to be transformed from a backward, undeveloped, barren state unaffected by the progress of science and industry in Europe, as it had remained for centuries, to a modern, civilized, progressive country. One of its first steps in this direction was to provide a sound basis for Government by an enactment punishing the unauthorized communication of information by Government officials or persons having contractual relations with the Government.

Immigration—

An Immigration Ordinance was then promulgated to regulate entry into Palestine. It was in keeping with the

original intention of the Mandatory to help in the establishment of the Jewish national home in Palestine, and merely made the usual provisions as to the registration of immigrants, the deportation of undesirables, and the satisfaction by an immigrant of the usual requirements that he should be in possession of a proper visé, that he should have in his possession or be in a position to obtain the means of supporting himself and his dependents, that he should pass a medical examination, and that he should not be a fugitive from justice.

Land transfer—

To prepare the ground for regularizing titles to land and controlling dispositions of land in the public interest, a Land Transfer Ordinance was enacted in September 1920. It made all dispositions of immovable property registerable in Government land registries on pain of nullity. An end was put to the undesirable practice of registering land in the names of nominees, which had become common because of the impossibility of registering land in the names of non-Ottomans prior to the War. Beneficial owners of such land were given an opportunity to prove their rights and obtain registration as owners in their own names. The law prevented absentee ownership, land speculation, the acquisition of vast tracts by individuals, and neglect to cultivate agricultural land, and provided for the retention by a transferor who was in possession of agricultural land or any tenant thereof of sufficient land in the district or elsewhere for the maintenance of himself and his family. These praiseworthy safeguards were abolished in 1921 because, *strangely enough, they were misunderstood by the Arab people and opposed by their politicians.*

Copyrights and antiquities—

The cultural requirements of the country were also considered early in the administration by the introduction of a Copyright Ordinance to protect the rights of authors of literary and artistic productions. A comprehensive antiquities law promulgated sets up a Department of Antiquities, provides for the registration and preservation of all antiquities and historical sites and monuments, and for the control of excavations. The ownership of antiquities discovered is declared to be vested in the Government. The general intention of this law was to retain for Palestine its historical treasures.

Forestry—

The provisional efforts of the Military Administration to save what few trees the Turks had left were supplemented by a Forestry Ordinance providing for the protection of existing forests (a term which must not be understood in the sense common in the United States, but more correctly as a small wooded tract of land) and the development of state forests. This ordinance was intended to preserve the limited rain water supply of the country. Unfortunately the absence of other fuel constrained the Government to permit the collection by fellahin of brushwood used by them in the manufacture of lime in primitive kilns, to the detriment of the country's supply of water.

Coöperative societies—

To facilitate the development of agriculture and industry by a population not possessed of great wealth, the Government provided for the incorporation of coöperative societies and their control by Government. The Arab population has not yet taken advantage of coöperation, but the Jewish

population has found in it ample opportunity to give concrete expression to its ideals of joint economic enterprise.

Commerce—

To fulfill a similar need in the realm of commerce, a Companies Ordinance was promulgated which introduced the conception of a limited liability company, and thus filled a great need in a country in which new enterprises essential to its development were necessarily economically precarious. It also created facilities for procuring credit by means of debentures. It established a Companies Registration office which was open to the public, as in other modern countries. In 1929 the Companies Ordinance was replaced by a more comprehensive ordinance including all changes in the English law on the subject made by the Companies Act of 1929. Considerable benefit also resulted from a Trade-Marks Ordinance based on principles of English law, and from the establishment of a Trade-Marks Registry.

Advertising and town planning—

The Government, in its anxiety to furnish legal facilities requisite for progress, was not oblivious to the need to protect the country against abuse, and accordingly introduced an Advertisements Ordinance to protect the countryside from the barbarities of ultra-modern business-getting propaganda. There was also promulgated a comprehensive Town Planning Ordinance to protect the natural beauty of the country and to regulate the laying out of new towns or quarters and all building operations in towns, as well as the alignment of roads.

Protection of mortgagors—

Nor did the Government overlook the condition of the indigenous popu-

lation; for in the Credit Banks Ordinance it limits the rights of such banks to enforce their security, so as to protect mortgagors in a generous manner against the sale of mortgaged property on unfavorable terms or without ample notice.

Various laws—

In addition to the matters dealt with above, the Civil Government, in the first few years of its existence, also provided legislation on the administration of prisons, the appointment of public notaries entitled to attest documents for use abroad, the control of road transportation, the publication by banks of annual balance sheets, the regulation of the professions of pharmacists, surveyors, and advocates, the constitution of land courts to settle land disputes and determine title to immovable property, the binding over of persons suspected of intending to commit criminal offenses, the collective responsibility of villages or quarters of towns for damage suffered as a result of disturbances or riots in such villages or quarters, the organization and regulation of the police, and the establishment of local councils in villages with power to make by-laws and to impose certain rates.

Order in Council, 1922—

In 1922 the Palestine Order in Council was promulgated. This Order in Council, which furnished Palestine with a constitution, is dealt with elsewhere in this issue. It need only be observed that it did a great deal towards putting an end to legal anomalies which worked hardship on different sections of the public, particularly in matters of personal status. In the same year, provision was made for special treatment of juvenile offenders, for the enforcement of civil judgments obtained in Great Britain, for the con-

trol of the tobacco trade so as to prevent smuggling, for the hearing by courts of evidence contrary to written admissions in order to defeat a claim for usurious interest, for the control of trade in and possession of firearms, for bringing up to date the regulation of railway traffic and offenses against the railways, for the Department of Health of the Government to enforce precautions against the spread of malaria, and for the Department of Agriculture to take steps to put an end to the encroachment of sand dunes on cultivable areas.

Inheritance—

There was a lull in creation of legislation in the year 1923, when, owing to delays in the abortive attempt to elect a legislative council, only one ordinance of any importance was enacted, the Succession Ordinance, which laid down rules as to inheritance of members of the different communities, foreigners and Palestinians, as to the civil and religious courts competent to exercise jurisdiction, and as to the law applicable. This ordinance did much to bring order into the chaos inherited from Turkish rule which was the delight of lawyers fond of knotty problems in the conflict of laws.

Powers of the courts—

In 1924 a Courts Ordinance revised the constitution of the courts and created a Supreme Court including a High Court of Justice with power to grant injunctions, to deal with habeas corpus applications, and to issue orders in the nature of mandamus to public officers—a tremendous aid to the public in obtaining its rights and preventing abuse of office, theretofore unknown to Palestine law. This ordinance also made it possible to take advantage of the right conferred by the Order in Council to appeal from the Supreme

Court to His Majesty's Privy Council in certain cases.

Criminal procedure—

The Trial upon Information Ordinance was also promulgated which replaced the unsatisfactory criminal procedure rules of Ottoman Law with a system of procedure based upon the English practice, providing for a preliminary inquiry in offenses for which the penalty is two years or more, and for trial only if the examining magistrate finds there is *prima facie* proof sufficient to warrant a committal for trial and upon an information laid by the Attorney-General. The law as to the right of the police to arrest persons and to search premises was clarified and improved to facilitate the discovery of guilt, while safeguarding in a measure the liberty of the individual. Provision also was made for extradition proceedings.

A Law of Evidence Amendment Ordinance put an end to undesirable features in the Ottoman Law on evidence, such as provisions disqualifying relatives and parties to an action as witnesses and requiring the evidence of two women as an equivalent to the evidence of one man.

Numerous laws—

Of numerous other ordinances enacted in 1924, mention should be made of the Charitable Trusts Ordinance governing the creation and administration of trusts for charitable purposes, and of the Wireless Telegraphy Ordinance intended, somewhat prematurely, to bring Palestine into line with European countries in this respect.

In the following year a Public Trustee of Charities Ordinance was promulgated, intended to fill a crying need for control by a Government officer of the administration of char-

itable institutions. This law has remained a dead letter.

Among the thirty-five ordinances enacted in 1925, there were the Criminal Law Amendment Ordinance, providing punishment for the procuring of women for unlawful purposes, and adopting the provisions of the International Convention concerning the white slave traffic; the Dangerous Drugs Ordinance, making applicable to Palestine the provisions of the International Conventions relating to dangerous drugs; the Mining Ordinance, comprehensively prescribing the terms on which prospecting and mining may be carried out under license, and assuring to the Government a fair share in all minerals discovered and certain royalties; and the Immigration Ordinance, which substituted for the reasonable provisions for the control of immigration heretofore existing, a law clearly intended to stay the flow of Jewish immigration into the country, in keeping with a policy the real purport of which still remains a mystery to those who trust the good faith of the Mandatory power. The arbitrary powers now given to the Chief Immigration Officer have proved as undesirable as might have been expected.

Other laws worthy of note are the Crown Actions Ordinance, which laid down rules governing the institution of actions against the Government; the Religious Communities Ordinance intended to enable the organization of communal affairs with certain restricted taxation powers; and the Coroners Ordinance, which provides for coroners' inquests.

Arbitration—

In view of the readiness of the local population to litigate on the slightest provocation, the Government acted wisely in furnishing an up-to-date arbitration law based on the English

statute. It put an end to the existing farcical provision of law whereby a party could at any stage before the award revoke the submission to arbitration, thus stultifying the whole procedure of arbitration.

Franchise—

A Municipal Franchise Ordinance extended the franchise to ratepayers as well as property owners, and enabled the holding of elections for municipalities. For reasons probably of political expediency, the democratic principle is sacrificed in the case of the mayor of a municipality, who is nominated by the High Commissioner. The Mayor of Jerusalem has never been a Jew, although the Jews form some 60 per cent of the population and provide at least 60 per cent of the municipal revenue.

Industrial workers—

In 1927 important legislation was promulgated for the protection of workingmen, including the Workmen's Compensation Ordinance, the Prevention of Intimidation Ordinance legalizing picketing unaccompanied by threats, and laws regulating the employment of women and children in industrial undertakings and providing for the control by Government of certain trades dangerous to public health.

Criminal law—

In the same year the administration of justice was further improved by a law regarding the release on bail of persons awaiting trial, and a law regarding accessories to crime. Further modernization of the criminal law was later effected by the Probation of Offenders Ordinance, which enables the Court to postpone sentence in the case of first offenders and to release them on probation.

Real estate and taxes—

In the realm of land law, the long awaited cadastral survey and settlement of all titles to land was commenced by the promulgation in 1928 of the Land Settlement Ordinance. Special settlement officers are systematically determining title to and registering all land in the country on a basis similar to the Torrens system. This will determine the extent of the state domains. In fiscal matters, much advantage will be gained from the more equal imposition of taxes on a revised valuation according to modern methods provided for in the Urban Property Tax Ordinance, which provides for a tax on the undeveloped land and buildings in urban areas, based on the net annual value of the property.

Commercial laws—

In the field of commerce, business transactions were facilitated by a law permitting the assignment of commercial debts without the consent of the debtor, as in English law. The citrus industry benefited from the Fruit Inspection Ordinance. A first step in the direction of establishing uniformity in weights and measures, till then unknown, was the Weights and Measures Ordinance providing a system of metric weights and measures. A comprehensive Bills of Exchange Ordinance—identical with the Imperial Act except for a few changes in matters of protest and guarantee—was introduced in 1929. A Partnership Ordinance is considerable improvement over the defective Ottoman Law. A Bankruptcy Ordinance already published in draft will make the commercial law almost complete according to present-day standards.

Sundry laws—

A Post Office Ordinance—following

the English Act—regulated the administration of the postal and telegraph services and provided for a Post Office Savings Bank, which has not yet been opened. Provision has also been made by law for the necessary powers to be enjoyed by local authorities for the construction and maintenance of much needed drainage works. The law regarding imprisonment for debt was modified, but imprisonment for debt is regrettably still retained.

ESTIMATE OF ACHIEVEMENT

This necessarily cursory survey of the more important legislative acts of the Government is sufficient to testify to the Government's anxiety gradually but consistently to replace the archaic Ottoman laws by laws in conformity with the best in the British Empire and to provide in a comparatively short period of time for the needs of a growing country on a progressive basis. The record here made indicates a creditable achievement, though much still remains to be done, of which particular mention should be made of the absence of any law of torts.

There are naturally many grounds of criticism of this vast body of laws. In the haste to provide for urgent needs, insufficient care was sometimes exercised in drafting ordinances, some of which show the draftsmen's lack of practical experience in the application of the law. Some provisions of the law are unfortunately too advanced for the non-European population of the country and are therefore exploited to perpetrate abuses, such as the law entitling the police to detain for forty-eight hours without warrant a person suspected of having committed a crime.

The wide powers given the courts in criminal matters—based on English practice—perhaps are unwise if account be taken of the unusually high

qualities of English judges intrusted with such powers. Similarly, the tendency in English law to leave more in the application of the law to the discretion of government officers or judges is a little too advanced for Palestine, which still needs more rigid definition of the law and limitation of the powers of those applying it.

An error which can be less excused is the failure adequately to protect the public in granting concessions for the exploitation of public utilities. In one concession, for example, there is no obligation whatever imposed on the concessionaire to supply the public on equal terms. The Government might also have been more courageous in the introduction of social legislation, child marriage being up to the present in no way restricted by law, and no law existing for civil divorce.

The most serious criticism of legislation which must be made is the attempt for reasons of political expediency or undisclosed policy to destroy the right of property in land as it exists in all European countries except Soviet Russia, by legislation already promulgated in part and published in draft form, on the pretext of protection of tenants, the real effect of which will be that a landowner will not be able to exercise the usual rights of ownership, and a mortgagee will be exposed to imminent danger of being collusively defrauded of the means of enforcing his rights under a mortgage. This type of legislation, introduced towards the close of Sir John Chancellor's term of office as High Commissioner, stands in marked contrast to the progressive tendencies of Palestine legislation as outlined above.

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Palestine Legislation Under the British

By MOGANNAM E. MOGANNAM

THE history of the law now in force in Palestine is comparatively difficult. It is a compound of various laws and contradictory principles. The Ottoman Law, which still forms the basis of the Palestine Law, had the sanction of Moslem religion and custom, while the laws introduced by the Mandatory are derived for the most part from colonial and English legislation.

A RETROSPECT

From the earliest days of the Moslem renaissance until the middle of the nineteenth century, the Sharia Law covered nearly every sphere of life in Moslem countries. Its authorities were: the Koran—the Holy Book; the Sunnah—traditions handing down the unwritten sayings and acts of the Great Prophet; the Ijmaah—traditions as to the sayings and acts of his companions and immediate successors; and the Kiass—matter founded on reasoning and analogy thereunder. Before the inception of the civil courts in the Ottoman Empire, Sharia Law was administered by the Sharia Courts, which were then the only courts of the state.

With the gradual development of the Turkish Empire and the inception of constitutional institutions, the Sharia Courts were implemented by civil courts, and their jurisdiction in civil and criminal matters was subjected to continual and gradual decrease. But although the Ottoman Government found it necessary in the circumstances then prevailing to give way for the civil laws to replace the Sharia Law, such law as was intro-

duced was, in most cases, either derived from the Sharia Law or based on religious doctrines.

Within little over a decade, many fundamental laws were enacted. The Civil Code, generally known as Mejelle, the Land Code, the Commercial Code, the Criminal Code, the Code of Civil and Criminal Procedure, and many other laws were introduced by the Ottoman Legislature. French influence was predominant in the Ottoman Empire in the nineteenth century, and the French laws were the source of many an Ottoman law. The Ottoman Penal and Commercial Codes follow the articles of the French Penal and Commercial Codes. Indeed, one can easily trace articles of the French Codes bodily translated and embodied in the Ottoman Codes.

ARAB ATTITUDE TOWARD THE MANDATE

From the beginning, the Arabs deemed the Mandate, an instrument entered into without their consent, as void, and considered its terms, in their entirety, arbitrary in character. They held that the Mandate was contradictory to Article 22 of the Covenant of the League of Nations, which states, *inter alia*, that

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of *administrative advice and assistance*¹ by a Mandatory until such time as they are able to stand alone. The wishes of these com-

¹ The italics are the author's.

munities must be a principal consideration in the selection of the Mandatory.²

The Arabs felt that since they could not admit the validity of the Mandate, and considered it inconsistent with Article 22 of the Covenant both in letter and in spirit, and therefore *ultra vires*, coöperation would mean an admission on their part which they were not prepared to make. This Article limits the rôle of the Mandatory in Palestine to "administrative advice and assistance," while the Palestine Mandate gives the Mandatory "full powers of legislation and of administration."³

THE CIVIL ADMINISTRATION

Under these circumstances, Sir Herbert Samuel, a well-known Zionist leader, took up his appointment on the first day of July 1920, as His Britannic Majesty's High Commissioner for Palestine, under a Mandate assigned to Great Britain by the Supreme Council at its meeting held at San Remo in April 1920. It fell upon him to establish the Civil Administration, and in his endeavors to apply the British policy and the Mandate, he changed many of the existing laws. The reasons which necessitated the introduction of new laws may be illustrated from the following extract from a Report which he submitted to the British Government on the occasion of his retirement in June 1925:

All this new wine could not be contained in old bottles. The laws of Turkey were not adequate for the needs of a progressive state. An active administration, a developing industry and commerce could not dispense with the facilities and authority that a body of modern statute law can give.⁴

² Treaty of Peace signed at Versailles on June 28, 1919, p. 16, of H. M. Stationery Office Publication.

³ Palestine Mandate, Article 1.

⁴ Colonial No. 15, p. 21.

Three months after his arrival Sir Herbert Samuel was successful in establishing a nominated Advisory Council, which was to play the rôle of a legislator, consisting of ten British officers and ten Palestinians of whom seven were Arabs. It existed for less than two years, and passed legislative acts, many of which were designed to enforce the Zionist policy. The Arab members, who held only an advisory appointment, were too small a minority to oppose the introduction of any new law which in their opinion was detrimental to Arab interests. The Arabs, however, never admitted the validity of this Council, especially since the members were in no way their accredited representatives.

In August 1922 the Mandatory power issued a so-called "Constitution" which was stated to be of a "more representative character," in the form of an Order in Council.⁵

PROPOSED LEGISLATIVE COUNCIL

This Order in Council, in which the inhabitants had not the least to say, provided amongst other things for the establishment of a semi-elected Legislative Council composed of the High Commissioner as President, and of twenty-two members of whom ten were British officials, and twelve elected members including two Jews. The Arabs emphatically rejected this offer. They contended that the proposed council could not be representative of the people so long as it included nominated British officials. They argued further that to participate in any council, no matter what its form, would indicate on their part an acceptance of the Mandate and the Constitution which they declined to accept. They held that under such

⁵ See for the Palestine Order in Council, 1922 as amended in 1923, Bentwich's *Legislation of Palestine, 1918-1925*, pp. 1-28.

Constitution elected members would have no powers and could at any time be outvoted by Government and Jewish votes. The elections to this council were therefore boycotted by the Arabs, and, as a provisional and unacceptable solution, His Majesty's Government issued an amending Order in Council, which is still in force, nullifying the elections and providing for the exercise of legislative powers by the High Commissioner in consultation with an Advisory Council composed purely of British official members.

The powers which were vested in the proposed Legislative Council were very limited. On the face of it, Article 18 of the Order in Council, 1922, gives this council full power and authority "to establish such Ordinances as may be necessary for the peace, order and good government of Palestine." But Article 28 restricts its powers and forbids any member from proposing any vote, resolution, or ordinance for the appropriation of any part of the public revenue or for the imposition of any tax or impost unless such proposal is made by the High Commissioner.⁶ Even with this restricted power, the council would have also to suffer the right of veto reserved to the High Commissioner in Articles 24, 25, and 26, and the right of disallowance reserved to the King in Article 27. The council, it may also be observed, was divested of the power of ratification of treaties or conventions or the control of foreign relations, and such rights were exclusively reserved to the Mandatory power.⁷

LEGISLATIVE PROCEDURE

In the absence, however, of this council, the procedure of legislation

hitherto followed is somewhat peculiar. It can hardly compare with the procedure of legislation in any Crown colony or Dominion. The Executive Council, which is formed of the High Commissioner, the Chief Secretary, the Attorney-General, and the Treasurer, all British officers, may decide on the representation of the head of a Government department, or in pursuance of some policy, that a new ordinance or an amendment of an old law or ordinance is necessary. A meeting of the Advisory Council is convened to discuss it. The bill as passed by this Council is then published in the *Official Gazette* in English, Arabic, and Hebrew, the three official languages recognized by the Mandate.⁸ Translation is very difficult when English technical terms are concerned. The Arabic or Hebrew renderings of new words which by necessity are created by the translators, are sometimes unintelligible to the general public. The ordinance remains as a bill "unless immediate promulgation is, in the judgment of the High Commissioner, indispensably necessary in the public interest,"⁹ for a period of one month, for the information of the public, whose criticism is sought.

The Arabs have taken little advantage, if any, of the opportunity to criticize bills, not owing to lack of energy on their part or because the law as published does not justify any criticism, but because experience has shown them that the Government hardly gives any serious consideration to the amendments they suggest.

During the last eleven years "the legislation factory," as it has since been commonly called, has turned out enormous and various sets of ordi-

⁶ Palestine Order in Council, 1922-23, Art. 28, Bentwich, Vol. I, p. 9.

⁷ See Articles 12 and 19 of the Mandate.

⁸ Article 22 of the Mandate.

⁹ Palestine Order in Council, 1922-23, Sec. 17-(1)-(d).

nances, amending ordinances, and re-amending ordinances. Many of the Ottoman laws which were in force on November 1, 1914, and which were declared by Section 46 of the Order in Council as the law to be administered by the Civil Courts, were either repealed, amended, or substituted. But all this mosaic law has not as yet been properly codified, with the result that the law is becoming too intricate for the comprehension of any reasonable citizen, and difficult to trace.

The Collective Punishment Ordinance, to which reference will be made later, may be cited as an illustration of the repeated changes to which most of the law has been subjected. This ordinance was first enacted on December 15, 1921. It was amended March 16, 1926; re-amended March 31, 1928; re-amended September 3, 1929; and again re-amended September 25, 1929.

A similar striking illustration could be drawn from the Land Settlement Ordinance and the Regulations and Rules issued thereunder. This ordinance, which was first promulgated in 1928, has undergone, with its Rules and Regulations, five additions or amendments in 1928, an equal number in 1929, three in 1930 and 1931, and already one amendment in 1932.

These and many similar illustrations cannot fail, I think, to show that legislation in Palestine is experimental in character, though arbitrary in spirit.

TREND OF LEGISLATION

The Administration faced a difficult problem in seeking to promote the establishment of a Jewish national home. Under the pressure of circumstances, exceptional laws, which otherwise would have been dispensable, were enacted, having as their primary object the placing of the country under such conditions as would facilitate the establishment of this home. To trace,

however, the detrimental effect of all such laws on the Arab population would be beyond the scope of this article. It will be sufficient, I presume, to quote some of these laws as illustrations.

LAND

In 1918, a Proclamation was issued by the Chief Administrator prohibiting the sale or disposition of any land without the consent and approval of the Administration.¹⁰ This measure was intended to be a check on the Zionist movement which had by then set in, in Palestine, and which it was feared would culminate in the dispossession of the Arabs from their lands.

As soon, however, as the Civil Administration was established in 1920, this restrictive Proclamation was superseded by the Land Transfer Ordinance, 1920. This ordinance allowed sales but was also subject to certain restrictions with regard to agricultural tenants. It made it a condition that "in the case of agricultural lands which are leased, the Director of Lands *shall also be satisfied*"¹¹ that any tenant in occupation will retain sufficient land in the district or elsewhere, for the maintenance of himself and his family."¹² But the Administration failed to insist on the strict application of this condition, and although these provisions proved ineffective, no efforts were made to enforce them, with the result that thousands of Arab cultivators became landless and without any occupation.¹³ The provisions

¹⁰ Bentwich, N., *Legislation of Palestine 1918-1926*, Vol. I, p. 617.

¹¹ The italics are the author's.

¹² Bentwich, Vol. I, p. 62.

¹³ This has not been proved, and is a subject *sub judice*. In spite of the great publicity given by the Director of Development, less than 2,000 Arabs filed petitions as having been displaced. These petitions are now being re-

dealing with the retention of sufficient land to the tenants in occupation were repealed, and The Protection of Cultivators Ordinance, which was enacted as late as 1929, failed to contain sufficient provisions which would protect the interest of the Arab cultivators. This ordinance in fact deprived them of the safeguards of the Land Transfer Ordinance, 1920-21. In the opinion of the Shaw Commission,

the Ordinance of 1929 gives rights to a tenant who is dispossessed which are very different from the rights which, by the Ordinance of 1921, it was contemplated should be given to such persons. The new law does nothing to secure to those dispossessed a sufficient area for the maintenance of their families.¹⁴

Other deficiencies in land legislation may be mentioned. Under Article 103 of the Ottoman Land Code,¹⁵ any cultivator who was in need of waste land which was not in the possession of any one by title deed or assigned *ab antiquo* to the use of the inhabitants of any village or town, was allowed to plow and cultivate gratuitously on the condition that the legal ownership (*Raqaba*) remained vested in the state. If, however, any person possessed and cultivated such land for a period of ten years without dispute, such person acquired a right to that land by prescription.

It is an undeniable fact that under the Ottoman régime many Arab cultivators benefited by the provisions of this law. The sites of many towns and villages were extended and enlarged. An active farmer always had the means of enlarging his holdings to meet the natural increase of his family. But these provisions of the Ottoman

laws were withdrawn. The Mawat (Waste) Land Ordinance, 1921,¹⁶ stipulates that "any person who without the consent of the Government breaks up or cultivates any waste land was not to obtain any title for such land but was made liable to be prosecuted for trespass." The benefits of Article 103 of the Ottoman Land Code were thus arbitrarily withdrawn and Arab cultivators were prevented from making use of any waste land that might be found near their holdings or villages.

The Mahlul Land Ordinance, 1920,¹⁷ is similar in nature. It deprives a cultivator from accrued rights in land which he had possessed prior to the British occupation by virtue of the Ottoman Land Code.

DELEGATION OF JUDICIAL POWERS

Another not less striking feature of the trend of legislation in Palestine is the delegation of judicial powers to district officers, who in most cases possess few if any legal qualifications. Nearly every district officer is vested with magisterial powers with limited jurisdiction.

Until 1928 this judicial power was exercised by virtue of a warrant issued by the High Commissioner, and officers holding such warrants were not under the direct control of the Chief Justice who is the head of the judicial machinery. The exercise by the High Commissioner of this power of appointment, and the manner in which proceedings were conducted before these semi-judicial officers, were questioned by the Supreme Court in the case of *Rex v. Dajany*, 1928. The proceedings culminated in the setting aside of the judgment of the district officer for want of jurisdiction. In consequence, a new law was enacted in

viewed by a special legal assessor appointed for the purpose.—H. V.

¹⁴ Shaw Commission Report on Palestine Disturbances, 1929, p. 117.

¹⁵ Tute, R. C., *Ottoman Land Laws*, p. 97.

¹⁶ *Palestine Legislation*, p. 135.

¹⁷ *Ibid.*, Vol. I, p. 75.

1928 to validate these magisterial warrants¹⁸ and judgments issued thereunder prior to that date.

The Prevention of Crimes Ordinance, 1920-21, gave the District Commissioner or his deputy power to require a person "to give bond for good behavior for one year and/or to reside in any particular place and/or to remain within doors from sunset to sunrise, etc. . . . if he has reason to believe that he is likely to commit a breach of the peace."¹⁹ Failing to produce such bond, this officer is empowered to commit the defaulter to prison until such bond is submitted. This extraordinary power, vested as it is in nonjudicial officers, has been on more than one occasion misapplied or misconstrued. But even then, there is no possibility of reversing the orders or judgments of such officers, as their decisions are final and subject to no appeal.

In a recent case, under this ordinance a District Commissioner allowed himself to hear witnesses from behind a screen, and the matter formed the subject of a question in a debate before the House of Commons. Another officer, while trying a similar case in Jaffa, refused to allow the accused to brief counsel, thus depriving the accused of an elementary right of self-defense.

The Collective Responsibility for Crimes Ordinance of 1921, which was substituted by the Collective Punishment Ordinance, 1926, offers another similar striking example. It empowers the District Commissioner or his deputy

to levy and collect fines from all or part of the inhabitants of any village or area, if he has reason to believe that the inhabitants of the area committed an offense (the

culprit being unknown) or caused loss or damage or connived at or abetted such offense or failed to render assistance to discover the offender, etc.²⁰

Hundreds of persons, most of whom may be innocent, may be convicted for an offense of which they have no knowledge. This wide judicial power is intrusted to the discretion of officers other than proper judicial courts. In fact, the exercise of such power is an infringement of the jurisdiction of the law courts, and an unprecedented principle in the legislation of civilized countries.

APPLICATION OF BRITISH ACTS

Although the Ottoman Law is the basic law of Palestine by virtue of Section 46 of the Order in Council, 1922, yet many British acts and statutes have been made applicable to Palestine by virtue of Section 35 of the same Order in Council and other subsequent ordinances, notwithstanding the fact that such British acts are in most cases inconsistent with the customs, the habits, the traditions, and the mentality of the people, and based on principles different from the principles of the Ottoman Law.

In addition, the acts and statutes that were made applicable to Palestine have never been published in the *Official Gazette* in any of the three official languages. The majority of the population are not conversant with the English language, and cannot be expected to be "charged with the knowledge of the law" if such laws are not published in their vernacular language. This deficiency in the system of legislation is very apparent and is repugnant to the terms of Articles 17-(1)-(d) and 82 of the Order in Council, which provide that all ordinances, and so forth, shall be published in the three

¹⁸ See Magisterial Jurisdiction (Validation) Ordinance, 1928, in *Official Gazette* No. 212.

¹⁹ *Official Gazette*, No. 138, p. 204.

²⁰ *Official Gazette* No. 159, March 16, 1926, p. 114.

languages for at least one month before promulgation.

Even the Mandate itself was not published in the *Official Gazette* of Palestine until January 16, 1926, and then only to form part of the Convention between the British Government and the United States of America.

It might be of interest to quote here an extract from a judgment of the Supreme Court of Palestine sitting as a High Court on the application of *Suleiman Murra and others v. District Governor of Jerusalem* (High Court 27/1925) which was also considered on appeal by the Privy Council on February 16, 1926, to show the peculiar position in which the courts were placed before the publication of the Mandate. Sir Thomas Haycraft, then Chief Justice for Palestine, said, *inter alia*:

Counsel for petitioners referred us to the undertaking made in the Declaration of the 2nd of November, 1917, and confirmed by a passage in the preamble to the Order in Council of 1922. He further informed us that there was a passage in the Mandate to the same effect. Neither the Declaration nor the Mandate are documents of authority in Palestine except so far as they are referred to and confirmed by the Order in Council of 1922. . . . The reference to the Mandate with which we are concerned first appeared in Clause 18 of the Order in Council of 1922 . . . as amended in Clause 17-(1)-(c) of the Order in Council of 1923. *When this case was argued before us the first time no one in Court had a copy of the Mandate* and it was generally supposed that it carried us no further than the Declaration of the 2nd of November, 1917.

It was only after the delivery of this judgment that the Mandate was first published; and all other British acts and statutes, many as they are, which have been made applicable and form part of the law of the land, have never been published in the vernacular language of the people.

BENEFICIAL ORDINANCES

Although much criticism can and should be directed against the system of legislation and laws in Palestine, yet it should be mentioned that many good ordinances have been promulgated since the British occupation, which replaced many old and obsolete Ottoman laws which "were not adequate for the needs of a progressive state."

The Companies Ordinance, 1921, which was ultimately replaced by the Company Law of 1929 and which is modeled after the English Company Act, is certainly a step forward and covers the field of progress in trade and commerce which exists in Palestine today.

The Bills of Exchange Ordinance, 1929, as amended in 1930, and the Partnership Ordinance of 1930 are similar examples which replaced part of the old Ottoman Commercial Code.

The Trial Upon Information Ordinance of 1924 with its subsequent amendments, and the Arrest of Offenders and Searches Ordinance of 1924, introduced appreciable changes in the old Turkish criminal procedure.

The Law of Evidence Amendment Ordinance of 1924 with its amendments has replaced out-of-date principles which existed in the Ottoman Civil Code and has given Palestine a smattering of a modern Law of Evidence.

The Mining Ordinance, The Electricity Ordinance, The Antiquities Ordinance, The Banking Ordinance, The Charitable Trusts Ordinance, The Intoxicating Liquors and Public Entertainments Ordinance, The Young Offenders Ordinance, The Trade Mark and Patents Ordinances, and other ordinances of less importance which were enacted between 1924 and 1930 are other examples of modern legislation.

A Bankruptcy Ordinance was published as a bill in 1931 but has not yet been promulgated.

Many amendments of the Ottoman Criminal Law have already been made and it is intended to introduce a Criminal Code in the near future, based generally on the English law.

CONCLUSION

It would not be fair to charge the Palestine Administration with bad faith in framing and enacting some of the laws which have been passed in Palestine. If mistakes have been committed in the system of legislation, they are due, in my opinion, to the following three reasons:

(1) Those who frame the laws, being foreigners to the country, cannot fully appreciate or understand the real needs, customs, and traditions of the majority of the people of Palestine.

(2) The people of Palestine have no hand in legislation.

(3) The major policy²¹ of the Brit-

²¹ See White Paper—"Statement of Policy of the British Government" (1930, CD 3692), and Blue Book containing a report by Sir John Hope-Simpson (CD 3686). Broadly, the note of the Statement emphasizes the obligation of the Mandatory toward the non-Jewish population and makes the obligations toward the

ish Government to facilitate the establishment of a Jewish national home "while insuring that the rights and position of other sections of the population are not prejudiced" (Article 6 of the Mandate) places the present legislator in a very awkward and precarious position in conciliating the two irreconcilable obligations imposed upon the Mandatory power with regard to the two sections of the population, with all the conflicting interests involved.

There can be but one solution of this intricate problem, and that is to adhere to the terms of Article 22 of the Covenant of the League of Nations and vest in the people of Palestine full power of legislation and administration, subject only "to the rendering of administrative advice and assistance by [the] Mandatory until such time as they are able to stand alone."

Jews subordinate to that major principle. "It will be the endeavor of His Majesty's Government, not only by the present statement of policy but by administrative actions which will result from it, to convince both Arabs and Jews of their firm intention to promote the essential interests of both races to the utmost of their power, and to work consistently for the development in Palestine of a prosperous community living in peace under an impartial and progressive administration."—H. V.

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The Machinery of Government in Palestine

By GEORGE ANTONIUS

A WIT once likened the Palestine Administration to a motor engine perpetually firing on three cylinders. The simile, although substantially true, has this in common with such terse generalization: it focuses attention on one aspect of the object compared. The virtues and the defects of the administrative machine in Palestine are in fact of a more complex and, one might even add, of a less progressive character than is implied in the happy epigram. To the student of political science they afford an interesting field of investigation and study, not only on account of the novelty of the system of mandatory administration, but also, and perhaps still more, for the sake of the lessons to be drawn from the operation of that system in so exacting a country as Palestine.

FEATURES OF THE PALESTINE POLITICAL POSITION

It is unnecessary for the purposes of this study to enter into a discussion of the political problem, its origins, its scope, and its chances of solution. What we are primarily concerned with here is the question of ways and means—the methods, that is, and the machinery by which the Mandatory power seeks to discharge its obligations. The department of state in Great Britain to which authority has been delegated for the purpose is the Colonial Office; while in Palestine itself, power is centered in the hands of the High Commissioner, who is not solely the Mandatory's representative but also the head of the Administration which is the local executive organ

of the Mandatory. In that respect the position in Palestine differs fundamentally from that prevailing in other "A" mandated territories, like Syria and Iraq, where national governments have been formed and where the French or British High Commissioner is the representative of the Mandatory without being the head of the government under mandate.

Another fundamental point of difference is the duality of the obligations involved in the Palestine Mandate. In all the other territories belonging to the "A" category of mandates, the obligations imposed upon the Mandatory turn upon a single issue, which is that of "the rendering of administrative advice and assistance . . . until such time as they [the communities under mandate] are able to stand alone."¹ Other responsibilities there are as well, but they are, in every case, if not incidental at any rate subordinate to the major obligation just cited. In Palestine, on the other hand, the Mandatory power has been saddled with another and parallel obligation which, although it had no place in the Covenant of the League of Nations, has yet been formally enshrined in the text of the Mandate and so remains binding as long as the Mandate remains valid. This is the provision relating to the Jewish national home. Hence, a duality in the Palestine Mandate which is peculiar to itself and which renders the task of the Mandatory power definitely more complex.

It would lie outside the purview of this investigation to examine the rela-

¹ Article 22 of the Covenant of the League of Nations.

tive validity of each of those obligations. Certain critics have held that the stipulation concerning the Jewish national home as stated in the Mandate was incompatible with the theory of temporary tutelage which alone had been envisaged by the framers of the Covenant. Others maintain that the Mandate is the later and therefore the predominant instrument, and that all its provisions, unless specifically qualified, must be held to have equal force. With the validity or the invalidity of these contentions we are not concerned here. All that matters for the purposes of this investigation is that due recognition be given to the fact that, in the particular case of Palestine, the obligations are held by one of the parties to the controversy to be mutually exclusive; and that, in view of the duality itself and of the opposition which it has aroused in the country, the problem of administration in Palestine acquires a new and delicate complexity.

Thus, it is only fair to the Palestine Administration to emphasize at the outset that it is faced with an exceptionally arduous task, and that some of the difficulties with which it has to contend are not of its own making, and indeed are beyond its own power to remove. One such difficulty is inherent in the very problem to which it owes its existence: that of accommodating an incoming alien population in a country which is already peopled. Another is to be ascribed to the fateful vote in the British Cabinet which intrusted the Colonial Office with the task of supervising the administration of the Mandate in Palestine. Others are but the natural corollaries of those initial handicaps. In order to analyze the peculiar results of this anomalous position and to appraise the effect on the progress of the country, it will be necessary to examine, however sketch-

ily, the structure of the administrative machine.

STRUCTURE OF PALESTINE GOVERNMENT

The machinery of government in Palestine is modeled on the British colonial pattern. The head of the Administration is the Governor (or, as he is styled in Palestine, the High Commissioner), who is also the King's representative and the commander in chief of the forces. He is appointed by a King's commission, and his powers and duties, which are extensive, include the prerogative of pardon and the power to appoint and dismiss public officers. He presides over the Executive Council and the Advisory Council, thus exercising supreme executive and legislative power. He is one of the least fettered autocrats in the world.

The Executive Council is the highest administrative authority in the country. It comprises, in addition to the High Commissioner who presides, a variable number (actually four) of the highest officers of the Government, of whom three, namely, the Chief Secretary, the Attorney-General, and the Treasurer, are *ex officio* members. The main function of the Council is to advise the High Commissioner on questions of public policy and legislation in general, and on all other matters affecting the administration of Palestine which the High Commissioner may refer to it. It meets at irregular intervals, with a frequency which depends largely on the convenience of the High Commissioner. Its deliberations are secret and its decisions taken, not on a majority vote, but by the High Commissioner, who at his discretion may accept or reject the advice tendered him by its members, who are, after all, his subordinates.

The Advisory Council is the only

legislative body in the country. It is composed of a variable number (actually fourteen) of officers of the Government, of whom those who form the Executive Council are ex officio members, the remainder being the heads of the principal departments in charge of the public services. The Advisory Council sits under the presidency of the High Commissioner, and its function is to discuss and pass the draft laws which are prepared and presented to it by the executive. Here, too, the final decision rests with the High Commissioner.

The members of both Councils are exclusively British, which means that Palestinians have no representation in either the legislative or the supreme executive bodies in the country. Another outstanding feature of this system is that it places both the executive and the legislative powers in the same hands—an effective contribution towards autocratic government.

District and local government—

The discharge of the public services is insured by an appropriate number of departments organized on the traditional colonial pattern. The heads and the principal assistants in each department are without exception British. The subordinate staff is Palestinian, and is larger than purely technical exigencies require, since Palestine has three official languages, and business may be transacted in any one of the three. General administration, other than the discharge of technical services, is intrusted to the commissioners of the three districts into which the country is divided. Each district commissioner, who is a British officer in every case, is the head of a hierarchy of district officers stationed in the towns and in the more important rural localities, of whom the senior are British and the subordinate Palestinian.

The lowest rung in the general administrative ladder is the mukhtar or village headman, who performs certain services in the village or village division for which he is responsible, under the supervision of the district officer.

Side by side with, and under the general control of, these central administrative authorities, are the local government bodies which are known as municipalities in the towns and local councils in the villages and colonies. The membership of these bodies is restricted to Palestinians. Their powers and duties, which vary according to the requirements of each locality, do not extend beyond the range of purely local services, and they are in no sense national bodies.

Maintenance of order—

A striking feature of the Palestine Administration is the abnormal size of the forces used for the maintenance of order. The reason for this is that, owing to the opposition of the Arab population to the establishment of the Jewish national home, and to the occurrence of racial outbreaks in consequence, it has been found necessary to employ larger forces than the ordinary requirements of public security warrant. The military forces, which are entirely British and amount to a total strength of 2,500, consist of two infantry battalions, two air squadrons, and one armored car company. The police forces, which are partly British and partly Palestinian, also amount to a total strength of some 2,500. There is, in addition, a special force nearly a thousand strong, known as the Frontier Force, which is locally recruited for service in Trans-Jordan as well as in Palestine.

Religious councils—

In order to complete this brief and necessarily sketchy analysis of the ma-

chinery of administration in Palestine, mention should be made of the councils of the religious communities. The character and the composition of these councils vary considerably with the size and the needs of each community. Their powers and duties are strictly confined to the administration of certain communal interests. Legislation has been enacted to enable these denominational bodies to levy rates for certain purposes, subject to the control and approval of the Central Government; but with the exception of one community, advantage has not been taken of that power, and the permissive law has been largely ignored in the country.

Judicial system—

The administration of justice is completely independent of the executive authority and is carried out by a hierarchy of courts of which the ultimate head is a British Chief Justice. The backbone of the system is formed by the several district courts, of which the presidents are in all cases British judges. Below these are the magistrates' courts, on which sit, in the majority of cases, Palestinian magistrates; while above them is the Supreme Court, which is formed of a British president and one or two members according to whether it is sitting as a High Court of Justice or a Court of Appeal. Side by side with these courts is a system of land courts, each formed of a British president and a Palestinian member, whose jurisdiction is confined to actions relating to real estate and all forms of immovable property.

Jurisdiction in matters of personal status, that is to say in actions relating to marriage and divorce, wills, charitable bequests, and the estates of orphans and minors, is exercised by special courts separately set up for

each of the religious communities. This is not an innovation, but a relic of the former Ottoman régime. Another eccentricity is the system of tribal courts, which are formed of Bedouin chiefs and exercise jurisdiction among the nomad tribes according to the dictates and traditions of tribal custom law.

COLONIAL ADMINISTRATION
INAPPLICABLE

This bare outline of the structure of the administrative machine serves to throw some light on the nature of the two main handicaps under which the Palestine Administration labors. One is the handicap of an unsuitable method: A country, which is not a colony but a mandated territory, and which is remarkable alike for the diversity of its component elements and for the profound differences which mark their cultural and psychological characteristics, is governed on a system of cut-and-dried administration devised for use in the colonies of the British Empire. The other is the more substantial handicap resulting from the dual obligation placed upon the Administration—that of guiding the country towards independence while a Jewish national home is being established. Let us now examine how these hindrances and their natural corollaries affect, in actual practice, the motion and the efficiency of the machine.

The system of colonial administration, admirably though it may have served its purpose in the colonies for which it was devised, has shown itself to be somewhat primitive in relation to Palestine. Its distinctive characteristic is its dependence upon uniformity; that of Palestine, a sophisticated diversity. Its strength lies in the ascendancy it can exercise in territories in which the population asks

only to be governed; its weakness, in its dependence upon the edifice of routine and regulations on which it rests.

Palestine satisfies neither of those postulates. In the first place, as far back as a generation ago, its population had tired of being governed, and, along with other provinces of the Ottoman Empire, had successfully vindicated its right to representative government. In the second place, the diversity of its social and cultural traditions makes it essentially unamenable to a rigid system of rules and routine. In the twelve years that have elapsed since the establishment in 1920 of the present system, the Administration cannot be said to have made any progress in the direction of coöperation with the people. Rather has it lost ground. And although the causes for this are numerous and varied, and the fault not altogether that of the Administration, the fact remains that the inappropriateness of the system is at the root of the trouble.

Perhaps the worst feature of the colonial system is its acquired distaste for individual contacts and its naïve belief in the efficacy of paper transactions. A certain amount of personal intercourse does take place between the officials and the public, especially in the districts and in those departments whose daily work inevitably brings them into contact with the outside world. But in the higher strata of the central departments, and more particularly in the central secretariat, which is the natural resort to which the public might bring their grievances and appeals from the decisions of the departments, personal intercourse is at a discount. A marked preference manifests itself, on the part of the hard worked officials, for transacting as much business as possible by correspondence. Thus a subtle barrier

arises which screens off the arcana of the executive from all but a privileged few of the population of the country.

In Palestine, where the executive and legislative powers are vested in the same authority, this estrangement is all the more serious and fruitful of misunderstanding. The members of the supreme executive and legislative bodies are, without a single exception, officials of the Government, and exclusively British officials at that. No representative of the people of the country sits on either of those bodies, even in a consultative capacity. The voice of popular opinion, which can none too easily make itself heard in the departments, is here denied all hearing. There is no constitutional channel through which the public may question or influence the actions of the Administration. The country is governed by an unfettered bureaucracy, and the result is a grotesque travesty of real administration. So much for the handicap of method.²

EFFECTS OF DUAL OBLIGATION

The hindrances resulting from the dual obligation imposed by the Mandate are of a more tangible character. Foremost among them is the exceptional burden of expenditure placed upon the country in respect of certain services. In the matter of public security, to take the most outstanding instance, the establishment of Zionist colonies and settlements and the

² The writer of this article has failed to mention the decision of the present High Commissioner, Sir Arthur Wauchope, to appoint non-official members on the various Government committees (such as the Standing Committee on Trade and Industry, which advises the Government on tariff questions), on the Railroad Board, and so forth. There is also a General Agricultural Council, made up entirely—except for the chairman—of nonofficial members, but appointed by the High Commissioner, generally after consultation with the various committees.—H. V.

menace to which they were from time to time exposed, have made it incumbent upon the Administration to take special protective measures. Besides the British military forces which it was found necessary to station in the country after the experience of the 1929 disturbances, a large mixed police force has had to be employed. The expenditure on the maintenance of order amounts to the crippling proportion of approximately one third of the total revenues of the country.

Next in order of importance is the fact that the allocation of the Mandate to Great Britain and the insertion in the Mandate of the provisions relating to the Jewish national home require the recognition of English and Hebrew as official languages of the country. This has affected the efficiency of the administrative machine in two ways. In the first place, it has thrown upon the Administration an additional burden of unproductive work in the form of translation and duplication. In the second place, it has led to the employment of a considerable number of additional officials whose primary justification is that all the departments of state, including the courts of justice, must be so equipped as to be able to transact business in three official languages.

Lastly, mention should be made of certain services, such as those performed by the Department of Immigration, the construction of roads to outlying settlements, and the special measures taken to insure the employment of Jews on public works, all of which could have been dispensed with had it not been for the special obligation imposed upon the Administration by the Mandate.

The practical effect of those measures has been not only to swell the budgetary contribution of the taxpayers and to assign to certain unproduc-

tive services revenues which might otherwise have been available for constructive activities, but also to impair the efficiency of the administrative machine. The introduction of three languages and the recognition of three religions may seem at first sight to require no more than an adjustment of personnel and time-table. In actual practice, however, they amount to a considerable handicap.

Taking the question of religion first, the recognition of three denominations as being on an equal footing has meant that Moslems, Jews, and Christians who are employed in the Administration are entitled to their respective days of rest and their respective religious feasts. In any given department, Moslem officials absent themselves on Fridays, Jewish officials on Saturdays, and Christian officials on Sundays. With the inclusion of the recognized religious festivals, the days on which Government departments are working with a depleted staff amount to 183 in a year. On 183 days in every year, the machine is firing on three cylinders.

The multiplication of languages causes a still more serious wastage. Every enactment and all official notices and publications have to appear in the three languages. Important public speeches have to be translated from the language in which they are delivered into the other two. At certain official meetings, the utterances of each speaker have to be translated twice before the significance of the words uttered can be conveyed to every person present. The duty of translating matter which often involves technical idioms calls for special qualifications of a high order on the part of the interpreter. Owing partly to the scarcity of qualified translators and partly to the regrettable failure of the Administration to provide emolu-

ments on an attractive scale, the standard of translation is in general poor. The result has been, to say nothing of the waste of time and labor involved, a crop of misunderstandings, of bewildering errors, and, in certain cases, of miscarriages of justice.

CONCLUSION

The editorial limitations placed upon the length of this contribution do not permit a fuller study of this aspect of the problem. Such a study would well repay the trouble, for the sake of the lesson to be drawn, which is that the colonial system of administration is essentially inapplicable in a country torn by an acute political conflict. It has succeeded admirably in the Sudan, where no political conflict arises and where the population, apart from being backward, has hitherto remained untouched by national consciousness. Palestine is the very opposite; and its Administration, so long as it is organized on the present basis, appears doomed to certain failure. As a machine, it is needlessly large, unwieldy, top-heavy, and trammelled with redundant parts. As a

tutor of the people, whose mission is to advise, educate, and fit them for ultimately self-governing destinies, it has remained distant, aloof, and out of touch with realities. The flapping of its mighty wings beats the air. *Chimaera bombinans in vacuo.*

The problem of how to adapt Western methods of government to Eastern (and more particularly to Arab) countries is one of the hardest riddles in modern political science. But certain conditions there are, it is safe to say, without which every endeavor to solve the problem, or even to achieve a fair measure of success, is bound to fail. One is that the Government must win and keep the confidence of the people. Another, that the administrative system must rest on a broad basis of real coöperation with the people—and real coöperation means equality of partnership. A third, that the machinery of administration must be so equipped as to establish and maintain close contact with the life and the psychology of the people. Until these conditions are realized in Palestine, it will be futile to expect any real alleviation of the present discontent.

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Palestine and the Proposed Arab Federation

By AMEEN RIHANI

TO BEGIN at the very beginning, I should make more clear and exact the Editors' wording of the title. The first four words imply a sense of detachment and conjecture, which is not warranted by the facts, as I shall show in due course. Suffice it to say now that Palestine is neither inside nor outside any general Arab movement; but as a part of the territory that was wrested from the Turks by the Allies, it is bound, in spite of its postwar organization, to share with it the same fate. The other point is "the proposed" Arab federation, which is but a recent political idea whose value is mooted; but an Arab federation is a form of national growth, which is chiefly from within, spontaneous—not proposed.

Even if I changed the title to "Palestine in the Arab Federation," I should still want to begin at the beginning. A federation, to turn to the dictionary, implies a group of separate sovereignties held together by a bond of common interest and defense. But the separate sovereignties in Arabia today do not all share the same degree of independence. A few of them are still in the making, while two have achieved a little of the glory of conquest. This disparity in rank is significant.

There is also a disparity in needs, which creates uncommon interests and various means of defense. The people of the Yemen, for instance, need not go beyond their borders for the necessities of life; but the people of Central Arabia, surrounded as they are by vast deserts, must often seek beyond them the need of their flocks at least—water

and pasture. The Yemen Arabs in their mountain fastnesses need not worry about their freedom; the Hejaz Arabs, in their cosmopolitan contacts during the annual pilgrimage and their sybaritism after that, seldom think seriously about it.

But there is everywhere a single resentment, a common fear, and a general tendency. Even a Bedouin in the desert is beginning to be acridly conscious at a distance of the foreigner and to resent his intervention in any part of Arabia; even the Arab of Nejd is beginning to fear, in the light of his growing needs and economic limitations, the loss of his freedom; and everywhere, whether urban or nomad, he hears through the newspapers of Pan-Arabia or an Arab federation and turns a sympathetic ear to any scheme of coöperation for his own welfare and security. What is true of the Bedouin is also true not only of the states that are Bedouin-like, more or less primitive in their administration, but also of the others, even the most independent like the Yemen and the most modern like Iraq. They all feel the hand of the foreigner—foreign intervention, foreign exploitation, or foreign influence of one form or another—and they would all free themselves of it. The other fact is that they are all beginning to realize—even the strongest among them, like Ibn Sa'oud—that while something may be accomplished severally, only collectively can the highest goal be attained. That is why I say that an Arab federation is a form of national growth, a racial development, which differs in its surroundings and influences, north

and south, but which points everywhere to the one goal—emancipation.

HISTORY OF THE ARAB MOVEMENT

A quarter of a century ago the development started as a decentralization movement whose express purpose was autonomy under Turkish rule. But it did not take long to develop its ultimate purpose, emancipation. Palestine in those days was not more conspicuous nor less national than any other part of Arabia. Educationally and culturally it was not so advanced as Syria, for instance, or Mount Lebanon. It was more like Iraq. But there were already a few Palestinians in the movement. One issued a French magazine in Paris, *Le Reveil Arab*, which was devoted to the cause, and others in Cairo and Constantinople worked with the Syrians in organizing secret societies whose *modus operandi* was not yet quite determined. Even the ground at times shifted and the point of view changed; but the purpose at bottom did not vary in pointing alternately to autonomy and emancipation. This was in the north, where the movement depended much upon the attitude of the Turks themselves.

But in the south, the Arabs were never completely subjugated by the Turks, and never did they relinquish their claims to independence. They fought for it in different parts of the peninsula where the Turks tried to penetrate and where they had but a precarious foothold. Many Turkish battalions were lost in the Yemen, were routed in the plains of Asir, and were defeated in the deserts of Nejd. It was at the beginning of this century, however, that the three decisive victories were achieved. Ibn Sa'oud, the present ruler of the Hejaz and Nejd, compelled the Turks to evacuate Central Arabia in 1905 and El-Hasa in 1913; the Imam Yahia, the present

ruler of the Yemen, besieged them in San'a in 1904 and compelled them to surrender; and the Idrisi, in 1912, freed his country, the lower part of Asir, completely of them. Here, practically, is the beginning of the modern Arab movement in the peninsula. For although these rules were independent of each other, there was a common cause to bring them together; and Ibn Sa'oud was the first to propose, without success, an Arab convention for that purpose.

In the north, in Syria and Palestine and Iraq, the Turks had a stronger hold, a strangle hold upon the people, who groaned for a long time under the yoke, now and then uttered a protest, and were always discontented. For this very reason, however, there was a possibility of united action. Their weapons were more of the mind—intellectual and political; the young leaders fled to Cairo, to Paris, and to Geneva, where they established themselves as journalists and began to hurl thunderbolts at the Tyrant of the Bosphorus, and continued to nourish the discontent of their people at home.

EFFORT TO CREATE NATIONAL SPIRIT

The purpose of the movement prior to the Turkish Revolution of 1908 has been stated; but after the Revolution, the aim of the secret societies was to consolidate the forces in the northern territories by bringing the people of Iraq and Syria and Palestine closer together, and to establish a basis of political relations between them and the Arabs of the south. This idea, a bit vague at the beginning, was made clear a few years later, when the Young Turks adopted the policy of *Turkefying* the Arabs. The aim of the secret Arab societies, therefore, was to create a national spirit strong enough to resist the *Turkefying* process; and when the

Young Turks started their Pan-Turanian movement, the Arab leaders began to speak of Pan-Arabia.

Moslems and Christians, from Syria and Palestine and Iraq, those leaders emerged from their coverts after the defeat of the Turks in the Balkan War, and in the Summer of 1913 they held a convention in Paris. This is the visible beginning of the Arab movement in the north, which since then sought to connect itself with its sister movement in the south—in the peninsula.

It is then evident that before the World War, the Arabs of the peninsula, with the exception of the Hejaz and the lower Yemen, had emancipated themselves from the Turks, and the Arabs of the north had begun their struggle for emancipation. But a common cause had yet to be made into a common bond. There was no doubt, however, of the tendency of the various forces. The prestige of an Islamic empire had vanished with its glory; the revolution of equality and fraternity had failed; and the Arabs, in spite of the efforts made by the Stambul Government and the subsequent proposed concessions, were determined to go the length of their venture. But they lacked the leadership that the increased importance of the movement required; for neither among them nor in the countries that were still under the Turkish yoke was there a commanding figure—a towering personality. In the Hejaz, however, was the Sherif Hussein, who was then the Emir of Mecca. He had also the prestige of being a descendant of the Prophet and the appeal of having received a modern education in Stambul. For these two reasons he was preferable to either the Imam Yahia or Ibn Sa'oud. But Hussein was then a loyal subject of the Sultan—one of his high officials—and no one

knew at that time the rest of his mind.

How a national or world movement may sometimes be fortuitously favored is a subject to which I may appropriately allude at this moment of uncertainty and doubt in the history of the Arab movement. For while the activities of the leaders were being directed, with little or no hope, towards Mecca, the World War was declared, and soon after, the Turks joined the Entente Powers. Here was Arabia's great chance. Her interests and those of the Allies in the Near East were closely associated. For the campaign against the Turks and the Germans in Palestine and Syria and Iraq, as well as against the Turks that were still in the Hejaz and the southwestern part of the peninsula, could not succeed, it was seen, without the help of the Arabs. The British Government, therefore, on behalf of the Allies, entered into negotiations with the Sherif Hussein, who was already in touch with the Pan-Arab leaders in the north. He was also in direct communication with the Stambul Government and, through his son the Emir Feisal who was then in Damascus, with the dictator of Syria, Jamal Pasha.

AGREEMENT WITH THE BRITISH GOVERNMENT

The negotiations with the British Government, through its Resident in Cairo, were necessarily slow at first; but while Hussein was still bargaining with the British, about fifteen of the Arab leaders, caught in Syria, were tried for treason and executed by order of Jamal Pasha in the squares of Damascus and Beirut. That, among other things, decided the Sherif Hussein. He joined the Allies after concluding, in January 1916, an agreement with the British Government through

its Resident in Cairo, Sir Henry McMahon. Article First of that Agreement is as follows:

The British Government agree to help in the formation of an Arab Empire completely independent in its internal and foreign affairs, bounded on the east by the Persian Gulf, on the west by the Red Sea, the Egyptian frontier and the Mediterranean, on the north by boundary lines of the vilayets of Aleppo and Mosul to the Euphrates and the Tigris and down to the Persian Gulf. The Colony of Aden shall not be included in this State.

There are two points regarding this Agreement, which is given in full in my book *Around the Coasts of Arabia* (Ch. XII, p. 111), to clear and emphasize. The correspondence between the Sherif Hussein and Sir Henry McMahon that culminated in the Agreement, has not been published by the British Government. Why is it withheld and when does the Government intend to publish it, are questions which have been repeatedly asked in the House of Commons. The last time they were asked, Dr. Drummond-Shiels, Under-Secretary for the Colonies, said that the Government had examined the correspondence "in the light of recent events in Palestine" and had again decided not to publish it.¹ But why, if it is "ambiguous and inconclusive," as the Under-Secretary said, does the Government continue jealously to guard it? There is no doubt that the British Government

can help to clear up the issue; and until it does, the Arabs have a right, reasonably assumed, to insist upon their version of the Agreement based upon the copy of King Hussein.

The other point is that the boundaries, as described in Article I, clearly show that Palestine, as well as Syria and Iraq, is included in this Arab Empire. Otherwise, to exclude Palestine, the River Jordan and Wadi Yarmouk should have been mentioned instead of "the Egyptian boundaries and the Mediterranean." Moreover, if the intention of the British representatives was to exclude Palestine, they might have mentioned it, one should think, with the exception of Aden. But the experts who helped to draft the Agreement, among whom were Colonel Gabriel and the eminent Arab scholar, the late D. G. Hogarth, had little or no thought in those days, I dare say, about Zionism and a national home for the Jews in Palestine. Nor can Sir Henry McMahon plead ignorance of Arab politics and geography, with such Arab experts and scholars at his command. Even if there was a mistake about Palestine, he had time enough to consider and rectify it before he wrote (March 10, 1916) his letter of confirmation to the Sherif Hussein in which he assured him that His Britannic Majesty's Government had approved of his plans and accepted all his demands.

SECRET AGREEMENTS OF THE ALLIES

About two months after, however, on May 17, 1916, the Governments of Great Britain and France, through their representatives Sir Mark Sykes and Monsieur George Picot, entered into a secret agreement by which Syria and Iraq were divided between them. I need not go into their colored zones again for a proof of their intentions. What I must say now is that

¹ "There is not sufficient ground for holding," Dr. Drummond-Shiels further says, "that by this correspondence His Majesty's Government intended to pledge itself to the inclusion of Palestine in the projected Arab State. Sir Henry McMahon himself denied that this was his intention. The ambiguous and inconclusive nature of the correspondence may well, however, have left the impression among those who were aware of it that His Majesty's Government had such an intention."

Palestine was not at that time "mentioned in the bond." It was during the worst year of the War, be it remembered, when the left hand of the Allies did not know what the right hand was doing. We all knew, however, for it was dinned into our ears every day, that the Allies were the Angels of Salvation, or their next of kin, and that upon their lips bloomed an everlasting spring of promises. The Rose of Sharon was conspicuous among the bloom of 1916-17. For Palestine was promised to Belgium and it was promised to the Jews, and there are certain French statesmen who still insist that it was promised to France. The Land of Promise had indeed become a too much promised land.

The Sherif Hussein knew nothing of the secret agreements of the Allies. The Arabs took up arms against the Turks on the strength of the Agreement of January 1916, and the forces of the Sherif were not exclusively of the tribes. Many volunteers from Syria, Iraq, and Palestine flocked to his standard, and many Arab officers deserted the Turkish ranks to join his sons the Emirs Feisal and Ali in the Hejaz. Here was a military affirmation of the combined Arab movements of the north and the south. Indeed, it was a war for the cause of Pan-Arabia to which the Allies were committed.

The Arabs performed their side of the obligation by driving the Turks from the country east of the Jordan and thus protecting the right wing of General Allenby's army. They contributed valiantly to the success of the campaign; and it has since been admitted by British as well as German military experts that were it not for the Arabs, the rear of General Allenby's army would have been cut by Turks and the campaign in Palestine would have met with disaster.

RIGHT OF THE ARABS TO PALESTINE

Aside from official promises and agreements, however, which prove that Palestine is included in the proposed Arab Empire, and aside from the sacrifices made by the Arabs to their cause and the contributions in men and money by the Palestinians to prove their loyalty to it, there is the deep, incontrovertible truth of history. For Palestine is a section of a country that is one in language, in race, in culture, in customs and traditions, in religion (except for a few non-Moslem minorities who are equally loyal to the Arab cause), and in national aspirations. This has been so for more than thirteen hundred years, including the four centuries of Ottoman rule. The Turks have not been able to assimilate the Arab or to change any of his racial and cultural characteristics. His dominant instinct, when it could not express itself in power, sought refuge in isolation. It was not conquered; it was only temporarily suppressed. This is true from the days of the Greco-Romans, who had to content themselves with ruling the people of Syria and Palestine chiefly through the Ghassan Arabs, down to the time of the League of Nations, which for the same purpose had to create the Mandate.

But the Mandate has been abolished in Iraq with the consent, nay, at the recommendation of the same Government that holds the Mandate in Palestine. How long can the inconsistency be upheld? If it is argued that the complexity of the situation in Palestine justifies it, makes the Mandate still a vital need, it can with even more potency be said that that very situation has been produced by the Mandate itself, or by an administrative policy based upon it and another impractical document, the

Balfour Declaration. Modify these two documents, and the complications will mostly disappear. Remove these two documents, and the situation will be simplified.

Prior to the issue of the Mandate and the Balfour Declaration, the Arab-Jewish problem in Palestine did not exist. No one can deny that. Nor will any one deny that in those days the Arabs and the Jews were peaceful, neighborly, and friendly towards each other. We want that happy era—the era of brotherhood and peace—to return; and any document that impedes its return, that raises barriers, that sows the seeds of hatred and strife, that produces riots and bloodshed, that creates an everlasting enmity between people, is a criminal document and should be abolished.

Here are the realities, the heart-rending realities that must be faced by every one of the parties concerned, and primarily by the British, whose position in Palestine is becoming more untenable than ever. Indeed, events are moving fast. From Baghdad to Jerusalem these days is not a far cry. The very logic of things is reaching to the core of the problem. One cannot be just in one place and unjust in another. The Arabs of Iraq are not more advanced nor more fit for self-government than the Arabs of Palestine; and it is hard to see how the British Government, now that the Mandate is abolished in Iraq, can consistently uphold, to say nothing of the hopeless task of enforcing, a mandate in Palestine.

But recent events seem to presage something dramatic. Diplomacy is moving slowly down stage to publish a secret long withheld. The British are tired of the Arabs and the Jews, and their real interests in Palestine are centered in Haifa, or the end of the pipe line of the oil of Mosul and

the terminus of a projected railroad across the desert. There may be, too, an air base in the line of imperial communications, and, outside of Palestine but indirectly or partly dependent upon it, the Suez Canal. If any one can adequately protect these interests and is willing to shoulder the troubles of Arab and Jew—and is acceptable in this capacity to his neighbors, to Egypt, Syria, Ibn Sa'oud, and Mustafa Kemal—Great Britain may be willing to sign the deed and wash her hands of "the sacred trust of civilization." A king! The Holy Land for a king!

And Abbas Hilmi, the ex-Khedive of Egypt, has of late been going up and down the world, visiting Angora, Syria, Jerusalem, and Geneva; and Lord Reading came on a pilgrimage to Palestine and there met by chance the ex-Khedive; and the High Commissioner for Palestine made a hurried trip to Cairo to see his colleague there and incidentally pay his respects to King Fuad; and the Premier of Egypt, Sudki Pasha, went to Beirut, the seat of the French High Commissioner, for no reason of health or overwork—all these innocent peregrinations within the months of January and February of this year. Events are moving fast, even in Palestine. But whatever changes may take place in its internal organization, the Arab character of the country, which has never been so emphasized before in its history as in the past ten years, cannot be justly and safely overlooked; and the magnetic center of all nationalist activities these days is Arab unity. The recent reaffirmations in Jerusalem on this subject will be mentioned later.

CONDITIONS IN THE PENINSULA

Beyond Palestine, in the peninsula, the progress of the movement has reached certain barriers which ten years ago seemed insurmountable.

But since then the mentality of the people has been undergoing a change, though in practical politics it is still static. For in Trans-Jordan, as well as in the states along the coast of the Persian Gulf, i.e., Kuwait, Bahrein, Trucial Oman, and Masqat, the relations of the British Government with the native rulers are, as the address from the throne might truly say, peaceful and friendly. But this is creating among the people a spirit of discontent: if their rulers are practically nominal, why should they object to Arab unity? And if they are real rulers, why do they not object to British intervention in their affairs? Thus the questioning persists and spreads. For there is, as I have hinted, an awakening, which is finding expression in a demand for more schools; and there is a popular feeling, nourished by both the school and the press, for a unity of some kind—for solidarity. This is particularly true of Trans-Jordan and Bahrein.

Of the other states along the coasts of Arabia, Masqat is friendly to Ibn Sa'oud, a part of Hadramaut is sympathetic with the claims of the Imam Yahia, and the protectorates around Aden are still the subject of dispute and of open hostility between him and the British. The dream of extending Yemen sovereignty to what is considered its natural boundaries to the south and southeast, to Aden and Hadramaut, is still cherished by the Imam. But his recent activities have been more to the north, and at one time a war with Ibn Sa'oud seemed imminent. How the incident was made to serve the cause of peace by reestablishing and strengthening the bond of friendship between the two rulers deserves to be broadcast throughout the world. To the powers of Europe, to the League of Nations, to all those who are working for universal peace, an Arab ruler

has set an example unique in history. Let me briefly tell of this otherwise insignificant affair.

The Idrisi territory, Asir, along the coast of the Red Sea, between the Yemen and the Hejaz, has been shrinking for the past eight years in both directions. The Imam Yahia invaded and occupied a section of it up to Midi; the Wahabis had long before occupied Abha and the mountains around it; and the Sayid Hasan ul-Idrisi, who feared the further encroachment of the Imam, concluded with King Ibn Sa'oud a treaty (October 1926) which placed under his protection what he still held of Asir. Since then the relations between the two independent rulers, Ibn Sa'oud and the Imam, have been, on the whole, friendly; but last year the Yemen soldiers occupied a mountain called 'Aru, which was claimed by the Asiris to be of Asir and by the Yemenis as Yemen territory. The Wahabi soldiers, therefore, to protect the rights of the Idrisi, moved upon the soldiers of the Imam Yahia, and there was an encounter. The Imam protested to Ibn Sa'oud, and after an exchange of notes, they agreed to have a joint commission of Nejdis and Yemenis meet in Asir, investigate the case, and decide to whom Mount 'Aru belonged.

The commission met, investigated, and disagreed. Thereupon the Imam wrote to his representatives saying that he was willing to have Ibn Sa'oud himself decide the case and that he would accept his decision whatever it might be. Ibn Sa'oud was overcome. "How can I," he said, "when my opponent appeals to me, decide in my own favor? No, the Imam Yahia cannot be more generous than Ibn Sa'oud. Mount 'Aru is of the territory of the Yemen, and we are all Arabs. It makes no difference if it

changes hands." Civilized Europe and America, please note!

ARAB SOLIDARITY

Ibn Sa'oud, King of the Hejaz and Nejd, and the Imam Yahia, King of the Yemen, are the two most prominent personalities in the peninsula today; and they are both expansionists with a Pan-Arab dream. Despite their independence and their strength, however, the development of their policy of expansion in certain directions—Ibn Sa'oud towards the east and the Imam towards the south—still depends more or less upon the good will of the British Government. There is no danger of a clash at other points; for although they have come so close to each other in Asir, they have realized, as other responsible leaders in the Arab world, the deep truth of the lesson of the last ten years—salvation through solidarity. Indeed, only by a united front can they maintain their own integrity, safeguard what they have already achieved, develop the resources of the country, and maintain friendly relations with their neighbors to the north, the Turks, and to the east, the Persians, as well as with the European powers which still exercise an influence in their affairs. But only by organizing their forces and laying the foundation of peace among themselves, through mutual good will and understanding, can they show a united front.

The settlement of the Mount 'Aru question is an example of how this is being done; the meeting of King Feisal and King Ibn Sa'oud in the Winter of 1930, and the subsequent treaty of peace and friendship between Nejd and Iraq, is another; and not less significant are the official visits in the Summer of 1931 of an Iraq delegation to San'a and another headed by the Prime Minister Nouri Pasha Sa'id to

Mecca for the purpose of discussing with the Imam Yahia and King Ibn Sa'oud the preliminaries of an Arab federation.

Aside from these official activities, the popular interest, which is gaining in extent and intensity day by day, is beginning to crystallize and to have a voice and a course of procedure. After the General Moslem Conference in Jerusalem last December, a meeting of Arabs—Moslems and Christians from Iraq, Syria, Palestine, Trans-Jordan, and the peninsula—was held on the thirteenth of that month, and the following pledge was taken under oath by every one present:

First: to uphold the integrity of Arabia as a nation and to recognize no divisions therein;

Second: to direct the efforts in every Arab state towards the one goal of complete independence and complete unity, and to oppose every movement and every idea that has the tendency to make local and divisional politics paramount;

Third: to oppose colonization to the utmost in every form, because it is inconsistent with the dignity and the supreme purpose of the Arab nation.

A resolution was also adopted to hold a Pan-Arab convention in the very near future.

NECESSARY FACTORS OF SUCCESS

Let it not be supposed, however, that the success of the movement depends entirely upon the Arabs themselves; for Great Britain and France, even when all the mandates are abolished, will still have interests in the country, and the right to safeguard them, even though circumscribed by treaties, can be invoked at the instance of the least fear or suspicion.

It must be frankly admitted, there-

fore, that the complete success of the Pan-Arab movement, whether it results in a single empire or in a federation of states and kingdoms, depends upon the honest intention and the good will of Great Britain and France, as well as upon the national and progressive spirit of the Arabs themselves. Moreover, the economic and educational factors are just as essential as the political. It may be said, therefore, that the complete success of the movement depends upon five principal points:

1. The control of the nomad tribes and the establishment of law and order among them through the urbanizing process initiated by King Ibn Sa'oud; in other words, the transformation of the nomad population into peasants, making them producing and law-abiding citizens;

2. The withdrawal from the various petty states of so-called British protection, the discontinuance of the corruptive system of stipends, and the transfer of the agreements the British Government has with the different small rulers along the coast of the Persian Gulf to Ibn Sa'oud and around Aden to the Imam Yahia, who will pledge themselves to protect British interests on the two routes to India, that is across the desert and through the Gulf and the Red Sea;

3. The granting by the sovereign rulers of economic concessions to mixed corporations composed of foreigners and natives, the foreigners to furnish also the technical knowledge, where it is needed, for the development of the resources of the country, provided that such foreign capital and technical skill are free from imperialistic interests and political control;

4. The establishment of a national public school system with a uniform program of education in the peninsula, as well as in the northern territories;

5. The inclusion in the treaties with the northern states, i.e., Iraq, Syria, Palestine, and Trans-Jordan, of a clause sanctioning the unity of these states with each other and with the other states in the peninsula, provided such unity does not affect any previous commitment regarding the interests of the other signatory powers.

PRESENT STATUS OF THE MOVEMENT

The first and the fourth of these five points—the urbanization of the Bedouin population and the national schools—have already been started and are being continued with considerable success.

The second and the fifth—the change in British policy in the peninsula and the unity clause in the treaties—must come inevitably, logically, since Great Britain and France, abandoning the mandate, must rely upon the principle of reciprocity for safeguarding their interests and maintaining their prestige in the Near East.

The third point, or the granting of concessions, depends upon the fulfillment of the second and the fifth. That is to say, if the interested powers, Great Britain and France, coöperate with the Arabs for the sake of peace and progress, as well as for reciprocal advantages, instead of impeding and opposing their activities to pacify and unify their country, foreign capital and technical knowledge will be invited to help in the development of its natural resources.

The most important of these points, the control of the nomad population and the national public school system, depend wholly upon the Arabs themselves. Neither the French in Syria, for instance, nor the British in Iraq could achieve, in their relations with the Arabs of the northern desert, a fraction of the success of Ibn Sa'oud

in Central Arabia; neither of them could fully control the tribes, even when they stipended their chiefs; and neither Great Britain nor France was sympathetic, to say the least, to a uniform national system of public education. These must come from within, from the Arabs themselves—and they are coming. An American commission of educational experts, headed by Professor Monroe of Columbia University, is now in Iraq at the invitation of its Government, studying the subject.

Education is forging ahead, and the other points must logically, inevitably follow. Let us hope, however, that

they will follow not as a result of force but as the natural development of a policy, national and international, that is consistent with the progressive and humanitarian spirit of civilization. After all, this Arab movement is but an expression in Arabic of what has been and is still an expression in English, in French, in German, in Hindustani—an expression of national progress and human development. Upon it depends the future of Arabia, and upon it in a large measure depends the peace of the world. It is in this sense a world movement and it may be expressed in three words: pacification, unification, and education.

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Palestine Agriculture

By FRANK ADAMS

THERE is common agreement among those responsibly concerned with the upbuilding of Palestine that if a substantial measure of success is to be achieved, it must come largely through maximum use of the agricultural resources of the country. This is not because agriculture will ever be the dominant interest in Palestine, but because it must always constitute the chief means of livelihood for most of those who reside there, and be the anchor that will tie a majority of its people to the land.

Within the past eight or ten years a number of important investigations have been made of agricultural possibilities in Palestine, and the Mandate Government has been endeavoring to build up reliable information regarding the agricultural resources and how they can be used to be of most advantage to the people. Since about 1921 the Zionist Agricultural Experiment Station has conducted agricultural research of benefit to the whole of Palestine, although primarily directed toward the needs of the Jewish colonists. The Palestine Economic Society, with membership open not only to Jews but also to Englishmen, Germans, and Arabs," has stimulated thought regarding the larger economic problems, including those relating to agriculture, its bulletins containing papers of great value. The principal colonizing agencies—the Palestine Jewish Colonization Association (Pica) and the Zionist Organization (now the Jewish Agency for Palestine)—have likewise made important contributions. Neither the reports of the various investigations nor the work of the governmental and

colonizing agencies, valuable as they are, has supplied all the information needed for final evaluation of the agricultural possibilities of the country. Nevertheless, they provide a basis for some appraisal of the agricultural situation.

NATURE OF AGRICULTURAL RESOURCES

In addition to being a very small country, less than half of which is cultivable, Palestine is handicapped in its new venture by its inheritance of primitive agriculture and by an inadequate moisture supply, particularly in the summer. Temperature conditions, while more variable in occurrence, class the country with the Riviera and with California as to the nature of crops that can be grown. The annual rainfall averages from about 150 mm. in the south to about 625 mm. at Haifa (about 6 to about 25 inches), but in some years it is very much less.

There are several important streams, chiefly the Jordan and the Auja, large numbers of fine springs (as well as some of poor quality), and a substantial quantity of underground water, apparently chiefly in the Maritime Plain; but taken all together, these various water sources do not furnish enough, nor is all of the chief of these sources—the River Jordan—economically available for irrigation, at least under present conditions. The larger part of the cultivable land, both in the hills and in the valleys and plains, must therefore continue limited to dry farming, although not all to such scanty yields as have been usual over most of the country. The larger part of the hills must be devoted

merely to grazing, and present generations at least are not likely to witness disappearance from these hills of the simple pastoral life that has been associated with Palestine from its earliest occupation.

It is well known that through the centuries of political and religious strife in Palestine, its agricultural resources, including its forests, have deteriorated. So far as we have information, little effort was made to maintain soil productivity or measurably to expand the cultivable areas by reclamation and irrigation, although accounts have come down to us of flourishing palm and date gardens, as around Jericho, and of areas that "could support an army." In any event, any effects such efforts may have had in times past have not carried down to the present. Remains of numerous aqueducts, some from Roman times, are, to be sure, found quite widely scattered, but these made available relatively small water supplies, and even these were used for operating primitive grist and sugar mills as well as for irrigation. While many of these aqueducts are still in use and are of no little local value, they are not a large factor in present-day Palestine agriculture.

Soil deterioration through long use and erosion is most marked in the hill sections of the country. In the hills of Judea extensive areas of broken-down and abandoned terraces suggest a time in history when vineyards comparable with those of Hebron today flourished widely. Olives also have covered a larger area and presumably have been more productive than now. Forests, which because of limited rainfall have probably never been of much more than the brush and woodland type, and are composed in considerable part of the wild olive, have been wantonly handled, particularly during the last war. Constant grazing of the untilled

areas has seriously lessened their carrying capacity for the herds and flocks of the Arab peasants.

LAND AVAILABLE FOR AGRICULTURE

A land survey of the whole of Palestine is now in progress. Pending its completion, only approximate figures can be given as to the total cultivable areas. Even with the completion of this land survey, an economic land and soil classification will be needed before the agricultural land resources can be satisfactorily evaluated. A reconnaissance soil survey of the principal agricultural areas by A. T. Strahorn in 1927¹ is an excellent start in that direction, but this needs to be amplified and extended after more is known than at present as to possibilities of soil improvement and as to the living requirements of the various groups or classes of cultivators. Government and colonization agencies are already carrying forward this work.

In his comprehensive report of March 16, 1922,² the Director of Agriculture of Palestine assumed a total exploitable land surface not exceeding 7,000 square miles, of which about 83 per cent was covered by available records; whereas in July 1929, the Director of Surveys in Palestine reported the total area as 10,100 square miles (26,158,000 metric dunams).³ The Director of Agriculture wrote off about 50 per cent of the area covered by records as uncultivable.

¹ Reports of the Experts submitted to the Joint Palestine Survey Commission, pp. 143-236; also, *The Geographical Review*, Vol. XIX, pp. 581-602.

² Palestine Department of Agriculture and Fisheries. A review of the agricultural situation in Palestine, by E. R. Sawyer, Director of Agriculture. Submitted March 16, 1922.

³ Report on Immigration, Land Settlement, and Development in Palestine. By Sir John Hope-Simpson, C.I.E., 1930, p. 12.

In 1930 the Commissioner of Lands, excluding marshes, the coastal sand dunes between Rafa and Acre, the rocky hills, the wilderness of Judea, and extensive areas south of Beersheba town, reported the cultivable area as 12,233,000 metric dunams (4,722 square miles or 3,058,250 acres),⁴ his definition of "cultivable" being "the area which can be brought under cultivation by the labor and financial resources of the average Palestinian cultivator." On the basis of completed surveys of 4,047,000 metric dunams, chiefly in the Maritime Plain, and aerial surveys of a number of tracts in the hill country selected as representative and approximating in area about 10 per cent of the whole, the Director of Surveys estimates the cultivable lands as 8,044,000 metric dunams (3,105 square miles, or 2,011,000 acres).⁵ Of this total, 2,450,000 dunams (957 square miles or 612,500 acres) are in the inhabited hills and 1,500,000 dunams (586 square miles or 375,000 acres) are in the Beersheba area, leaving 4,094,000 dunams (1,600 square miles or 1,025,500 acres) in the principal plains and valleys. The 1927 soil reconnaissance by Strahorn, which covered the plains and valleys from the northern boundary to Beersheba, showed 451,156 metric dunams of "waste" land, 1,305,160 metric dunams of "non-irrigable," and 2,837,172 metric dunams of "irrigable" land, the latter being lands which would produce crops under irrigation if water were available, and not the maximum cultivable area.⁶

⁴ Report on Immigration, Land Settlement, and Development in Palestine. By Sir John Hope-Simpson, C.I.E., 1930, p. 22.

⁵ *Ibid.*, p. 22.

⁶ A small area in the Jordan Valley, the extent of which is not known, was omitted from the Strahorn survey. Strahorn also omitted from his tabulation the Huleh marsh and plain, but on the basis of figures given elsewhere in his report, 110,000 dunams are included in his total to cover that area.

Obviously, none of the figures designating the cultivable area can be accepted as final, and the matter of total cultivable land in Palestine can be dismissed until a definition of "cultivable" can be agreed on, until the land survey is completed, and until the underground water resources on which any cultivation of consequence south of Beersheba must depend are better known than they are at present. Land which might be considered cultivable according to the standards of Eastern civilization might not be susceptible of profitable use under Western standards. In either case, yields and costs or labor used in producing a crop or a living vary so widely both as to different areas and as to periods of time, and there is such wide variance in standards of living, that there is bound to be a difference in judgment as to gross figures. The arable areas in the hill country have been especially subject to controversy. A very conservative view needs to be taken regarding their economic value.

CROP ADAPTATIONS

The crops that can be grown in Palestine cover a wide range, but for most of the fruits further experience is necessary to determine where they can be grown successfully on a commercial basis. The larger portion of the land cultivated by the Arabs has been devoted to wheat and barley and certain leguminous crops grown in winter, and peas, durra, and sesame, grown in summer. Wheat, barley, durra, and sesame have been the most important, the major part of the land being taken up by wheat and durra.

In general, the cereals yield best on the soils of heavy texture and compactness. Regular systems of cropping have been worked out for the annuals by the Arabs, the most usual being one year of wheat and the next year of

durra or sesame. In the south, where the rainfall is less and droughts are frequent, the rotation period is usually three years. The wheat and barley are the principal sources of income, and the summer crops or *karabs* are chosen according to their value for preparing the land for wheat and barley. As between durra and sesame, the former is considered the better, it being reported that it has no equal. Even as to this it has been stated that all the trouble and care bestowed on it is only for the sake of the wheat that is to come after it.⁷ Durra is sown on the poorer soils.

Generally speaking, and in fact in most cases, the fruits of Palestine will be confined to what may be broadly called the "lighter" soils, i.e., soils of a sandy or loamy rather than of a clayey nature. These are found chiefly in parts of the Maritime Plain and of Jordan Valley. Almonds, almost wholly non-irrigated, have been most successful on the sandy loams of the coastal belt.

The fruits grown in Palestine are many in addition to the grapes, the olives, and the figs that have long been associated with the country. A partial list includes oranges, grapefruit, lemons, limes, etrog, and mandarin, among the citrus fruits; apples, peaches, pears, plums, and apricots, among deciduous fruits, of which the apricot is most abundant; and almonds, bananas, dates, carobs, pomegranates, and wine, table, and raisin grapes. Many other fruits not now commercially grown in the country are being tried out both by growers and by the various experiment stations. The growing of watermelons has long been an important industry among the Arabs along the coastal plain.

Of all of these fruits of Palestine, the

Jaffa (Shamouti) orange is by far the most important and most valuable. The plantings of this orange now approximate 150,000 dunams (37,500 acres), about half Jewish and half Arab.

The Palestine citrus industry began in a small way some years before the War, but has achieved its principal growth during the last ten years, reaching the proportions of a small but temporary boom in 1929 and 1930. As has been usual in the case of new horticultural industries in other countries, local experience and scientific information on which to base the industry were lacking, and until recently, scant attention has been given by many of the growers to such matters as proper root stocks and bud selection and methods of planting and cultivation. It is now, however, more widely recognized in Palestine that the successful growing of citrus fruits, even under the most favorable natural conditions, is an undertaking demanding a thorough understanding of the fundamentals of propagation and culture, as well as strong Government and grower support for research and in combating pests and diseases. Fortunately for the future of the industry, there is well informed and capable local business and technical leadership, so that a satisfactory outcome for the industry seems probable. Thus far, only about one third of the orange plantings are bearing. Total exports for the season 1931-32, including some lemons, were 3,631,541 cases.

Parts of the Jordan Valley and of the coastal plain are well adapted to the growing of winter vegetables for early markets. Among those grown experimentally or commercially are tomatoes, eggplant, cucumbers, cabbage, cauliflower, and potatoes. It is stated that were it not for the new import duties in England, early Palestine potatoes shipped to England in January, Febru-

⁷ Elazari-Volcani, J., *The Fellah's Farm*, Bul. 10, Institute of Agriculture and Natural History, the Jewish Agency for Palestine. This report has been drawn on for details given regarding the Arab crops and cropping systems.

ary, and March would bring very profitable prices. The Jewish Agency experiment station seems to have solved the problems of potato seed, storage, and packing.

LIMITING FACTORS

Palestine fruits until recently have been comparatively free from widespread insect pests and diseases, but these are increasing and in some cases are now a limiting factor. For instance, there has been a rapid spread of scale in the orange areas, and other insect pests as well as diseases have developed or become established. During the past three years the Department of Agriculture has made an energetic attack on the black scale of the Citrus by fumigation, with gratifying results, but the equipment and the materials have been inadequate. Red scale, recognized also to be increasing, has likewise been effectively dealt with. The Department is very intelligently seeking to work out a plan of control which will save the Palestine citrus industry from these pests. Among almonds, one of the chief limiting factors has been the widespread attack of *Capnodis carbonaria*, by which it is reported entire orchards have been killed. For several years the Department of Agriculture has been conducting a vigorous campaign against this boring beetle in some of the more important almond areas. The fig scale has caused damage to the figs; the larva of the long-horned beetle borer to the apricot; the olive fruit fly to the olive, and so forth. In the case of bananas, nematodes have given serious trouble, and Ryerson states that the success of the industry will depend upon whether, under Palestine conditions, the plant can be so forced as to produce several crops before succumbing to this pest.⁸

⁸ Ryerson, K. A., "Horticultural Possibilities of Palestine as Especially Related to Agricultural

Ryerson also reports that the presence of the Mediterranean fruit fly, while less of a drawback in the higher hill country, is a fundamental limitation to the success of many of the deciduous fruits in the plains area, and has also been a factor of some importance in citrus production along the coast.

Aside from insect pests and plant diseases, the Palestine horticultural industry has to consider such other natural limiting factors as soil type and structure, poor drainage of certain areas, hot, dry winds at the spring blossoming time and strong winds throughout the year, and most of all, the limited water supply for irrigation. The matter of crop adaptation in the various parts of the country is therefore one which is by no means yet solved, and experience extending over a period of years will be necessary before it can be determined just where and to what extent the different fruits to which Palestine is climatically suited can be grown successfully on a commercial scale.

Palestine field crops, while more is known of their adaptability to soil and climatic conditions, must, like the fruits, cope with certain natural limiting factors. For instance, a visitation of field mice in 1930 resulted in losses to crops estimated at £100,000 (\$500,000 at par), and it was only the very effective work of the Department of Agriculture and Forests that in the same year saved the country from a serious locust menace for the third successive year.⁹

Colonization." Reports of the Experts Submitted to the Joint Palestine Survey Commission, 1928, pp. 237-388. This report is the chief source of authority for data presented in this paper regarding Palestine horticultural possibilities.

⁹ Viteles, Harry, *Annual Report of the General Manager of the Central Bank of Coöperative Institutions in Palestine, Ltd.*, Sept. 1, 1929, to Aug. 31, 1930.

SOIL FERTILITY

While the historic fertility of Palestine is by no means altogether fiction, mistreatment over the centuries has left its inevitable heritage of soil impoverishment and has bequeathed to present and succeeding generations a heavy burden of soil improvement. There is ample evidence, however, that the task of restoring soil fertility is by no means hopeless over much of the country, although the cost in time, money, and effort will be large.

In his first report (1922), the Director of Agriculture and Forestry showed that even in the climatically favorable season of 1919-20, the average yields for the country at large for wheat, barley, lentils, and kersennah were less than a third, in each case, of those harvested in Egypt; for instance, 593 kilos of wheat per hectare (59 kilos per dunam) compared with 1,793 kilos (179 kilos per dunam) in Egypt. He attributed this condition to "primitive methods of cultivation, weed growth as an aftermath of war, lack of manure and chemical fertilizers, poor seed and unproductive varieties."

Director Volcani of the Jewish Agency Agricultural Experiment Station has repeatedly called attention to the lack of organic matter in the soil. While in a year of good rainfall the visitor will note numerous instances of excellent yields of such crops as maize, durra, sesame, and wheat, especially perhaps in the Plain of Esdraelon, it is obvious to even the casual observer that over much of Palestine the production is low—frequently miserably low. The census of the Zionist settlements in 1927 showed an average yield of 75 kilos of wheat and of 113 kilos of barley per dunam. There were, however, yields of wheat up to 139 kilos per dunam and of barley up to 239 kilos per dunam.

Director Volcani believes that green manure can supply the lack of organic matter in the soil of the fellah's farm if one fifth or one sixth of the farm area is allocated to it, and that the yields of the fellah can be increased by carefully preparing a good rotation crop, by use of fertilizers, and by selected seeds. The Jewish colonists have already, in many cases, gone a long way toward soil improvement, using "Arab manure"—the soil accumulations at old Arab villages—to the limit of availability. The German colonists have also shown that by proper farming methods production can be greatly augmented. When irrigation is possible, soil improvement by turning under green cover crops is reasonably rapid; but it is recognized that there are deficiencies in the soil other than organic matter, as, for instance, nitrogen and, in the case of some of the lighter soils, potash and phosphoric acid, which must be made up through fertilization.

Fortunately, this matter of increasing the fertility of the soil in Palestine is receiving the very careful attention of the research workers of the Jewish Agency Agricultural Experiment Station, and the results of their work will be of great value to Arab and Jew alike, especially if practical demonstrations are carried out rather widely over the country.

LAND TENURE AND LAND HOLDINGS¹⁰

The course which agricultural development in Palestine will take is bound

¹⁰ These subjects are interestingly and illuminatingly discussed in a number of important publications, of which the following have been chiefly consulted: *Land Problems in Palestine*, by A. Granovsky, 1926; *The Fellah's Farm*, by J. Elazari-Volcani, 1930, Ch. V; Report on Immigration, Land Settlement and Development, by Sir John Hope-Simpson, C.I.E., 1930, Ch. IV; Report of a Committee on the Economic Condition of the Agriculturalists in Palestine, etc.,

to be influenced by the character of the tenure of agricultural land and the size of the individual farm holdings. The Turkish land law of 1857 classifies the land into five categories—mulk, miri, wakf, metruque, and mewat. Of these, miri land is the most important from the standpoint of agriculture. Title to the miri land is vested in the state, but it is granted in perpetuity subject to certain conditions, of which the chief is continuous cultivation. While what amounts substantially to private ownership is thus possible in the case of miri lands, in approximately half (46 per cent in 1930) of the villages in Palestine, agricultural lands are held in common under the system known as Mesha'a, while in the other villages (54 per cent in 1930) the land is divided under what is known as Mafruz.

Where the Mesha'a system prevails, the individual's share of land is a fraction of the whole, but it does not represent a definite plot or parcel, although usually there is allotment as between the tribal divisions of the village. In each of these tribal divisions (hamulabs) it is customary to make individual allotments to the cultivators for two- or three-year periods depending on the rotations, leaving no incentive for permanent soil improvement by the cultivators. With reference to Arab land tenure, it needs to be noted that a large portion of the total in Arab possession is owned by landlords and that tenantry is common. Many if not most of the peasants are hopelessly in debt to the money lenders, and the taxes are high.

This Mesha'a system, which applies only to the Arab villages, is generally condemned, and efforts are being made to eliminate it through partition to the

individual cultivators. The report of the Government Committee on Economic Conditions of Agriculturists in Palestine, 1930, considered this system perhaps the greatest obstacle to agricultural progress in Palestine. "This system," the report states, "misses the advantage alike of individualism and of coöperation. While it remains it is useless to expect that land will be weeded or fertilized, that trees will be planted, or, in a word, that any development will take place."

NATIONALIZATION OF THE LAND

Agricultural land in the Jewish colonies established by Pica is held by the settlers in individual ownership. In the Jewish Agency colonies, on the other hand, the land is nationalized, title remaining perpetually in the Jewish National Fund, from which possession may be obtained on hereditary 49-year leases. The difference between the leasehold and absolute individual ownership might not be of great consequence in Palestine were it not for the restrictions placed on the leasehold by the Jewish National Fund. One of these is that no settler can under any circumstances hire labor, but must work his holding by his own efforts with the help of his family only. However, "relatives" are allowed and in many instances are used, thus in practice circumventing the principle. Another restriction is that the National Fund reserves the right not only to determine the area of the original allotment, but later to reduce that area if necessary to make room on the soil for more Jewish immigrants. While not always strictly obeyed, these restrictions are basic and not merely theoretical.

This nationalization of the land in Palestine under the Jewish National Fund, together with the theories of "self labor" and the right to reduce or

(Johnson-Crosbie report), 1930, Chs. III and V; and "Land Settlement and Development in Palestine," by A. Granovsky, *Palestine and Near East Economic Magazine*, Vol. V, pp. 25-62, 1931.

otherwise change the sizes of the holdings, has been the subject of much discussion and even controversy. The system has been brought into sharp contrast with private ownership, both by the Pica—which, as already indicated, passes complete title to its settlers—and by many private individual Jewish purchases as well as purchases by private Jewish colonizing associations.

There have been numerous instances in which Jewish land purchasers with sufficient means to carry their development and holdings have preferred private ownership. While these private purchases have augmented the areas of land in Jewish ownership, they have been sharply criticized by those who hold steadfastly to the theory of nationalization, although it is probably true that the private purchases have in many cases not been without official Jewish sanction. In the case of some of the private colonizing associations which purchased land in earlier times for Jewish colonization, financial assistance has been found necessary and this has been extended by the Jewish National Fund. In other cases, so-called “middle class” settlers have been aided, this classification being applied to the settlers who supply part of the funds for their establishment. However, in many if not in most instances, the “middle class” colonies have furnished all of their funds.

Apparently the principal economic advantage of the nationalization of the land is its freeing the settlers from investment in the land in the first instance, or from amortizing its cost over a period of years. The individual has no mortgage to carry. While he presumably is to pay rental equivalent to a fair interest rate, his relation to the Jewish National Fund is such that the Fund is more likely to carry losses in adversity than is the settler. Control

of speculation is another economic advantage of this system. No attempt will be made here either to discuss or to evaluate the social aspects, either for the Jews or for the Arabs. It is a subject of much controversy.

SIZE OF HOLDINGS

An ordinary Arab fellah has a portion of the village land of 70 to 100 dunams (17.5 to 25 acres) which he works without outside assistance. Some, however, with the aid of “harats” work as much as 400 to 500 dunams (100 to 125 acres). Where Arab tenants farm more than 120 to 150 dunams (30 to 37.5 acres) they also engage a “harat.” These areas are non-irrigated and are devoted largely to cereals.

In the Jewish colonies, especially those of the Jewish Agency, there has been a tendency to keep individual parcels or average holdings for family or worker in the coöperative agricultural settlements (*Kvutsoth*) to a minimum, in order to provide for the largest possible number of Jewish immigrants. The experience of the Pica organization has demonstrated the need of increasing the unit areas in dry farming sections. In 1927 the average holdings in twenty-four of their colonies ranged from 50 to 300 dunams (12.5 to 75 acres), the smaller being in irrigated sections. In fourteen of these colonies, however, the average was 200 dunams (50 acres) or more; in five it was between 150 and 200; in four, between 100 and 150 dunams (25 to 37.5 acres).

The commission which studied agricultural colonization in 1927 under the authority of the Joint Palestine Survey Commission found numerous cases of what it considered overcrowding in the Zionist settlements, both smallholders' and coöperative agricultural settlements. In one small colony, for instance,

the commission found the unit of dry-farmed land 80 dunams (20 acres); in another, 240 dunams (60 acres) for 18 families—about 13 dunams each; in another, 468 dunams (117 acres) for 62 adult workers, or about 7.5 dunams each. In some of the other colonies the situation was better. For dry farming the commission recommended 160 to 320 dunams (40 to 80 acres) and suggested that 240 dunams (60 acres) is a safer minimum than 160 dunams (40 acres). For irrigated land it suggested 40 to 80 dunams (10 to 20 acres).¹¹ In the German Templar colonies, self-sustaining farms were found to have 160 to 400 dunams (40 to 100 acres). These figures exceed those generally accepted as necessary by the Jews. For instance, Dr. Granovsky has suggested from 17.5 to 24.1 dunams in the plantation areas, 40 dunams for areas suitable for other products requiring irrigation, 40 dunams in the hill country, and 300 dunams in the Plain of Beersheba. For dry-farmed cereals he apparently accepts 130 dunams, as suggested by Sir John Hope-Simpson.

Obviously, the land requirements of the Arab farmers, with their longer experience and their ability to subsist on a meager, simple fare, are less than those of the Jewish colonists, who necessarily must build their Palestinian civilization on a higher standard of living than that which has prevailed in Palestine. After analyzing the income per family in 104 Arab villages, for which the average holding per family was found to be 56 dunams (14 acres), the official committee which in 1930 reported on the economic condition of agriculturists in Palestine concluded that to provide a minimum living per family, 75 dunams (18.75 acres) are necessary for an owner-cultivator, and 130 dunams (32.5 acres)

for a tenant who must give up part of his income for rent.

AGRICULTURAL COÖPERATION

Only brief reference will be made to this subject, since coöperation is being covered in another paper of this series.

The future of Palestine agriculture is largely tied up with the coöperative movement, which was pioneered by both the German and Jewish colonists before the War. Almost every phase of the movement back to Palestine has, in fact, involved coöperation of one sort or another, and that in agriculture has been the most important part of it.¹² Agricultural coöperation has included such enterprises as the coöperative or "communitic" settlements (*Kvutzoth*), the sale of agricultural products, the purchase of agricultural supplies, agricultural credits, the growing of grapes and manufacture of wine at Richon-le-Zion and Zichron-Jacob, water supply, and cattle insurance.

A number of the coöperative efforts have failed, but only three, it is stated, of any significance, while many others have been successful. For instance, writing in 1929 an authority found the selling value of Jewish agricultural products annually marketed coöperatively to be not less than £465,000 (\$2,325,000), of which more than £300,000 (\$1,500,000) represents exports and £220,000 (\$1,100,000) represents fruits—oranges, table grapes, bananas, watermelons, and so forth. The same authority stated that two and a half million liters of milk, either fluid or in dairy products, were being sold each year through the central coöperative dairies and their branches; also that Jewish vintners, cultivating 90 per cent of the total wine grape area, were marketing their products through a coöperative.

¹¹ Report of the Experts submitted to the Joint Palestine Survey Commission, p. 54.

¹² See chiefly *The Jewish Coöperative Movement in Palestine*, by Harry Viteles, 1929.

The "Pardess" Coöperative Society of Orange Growers, Ltd., after an activity of thirty years, in 1929-30 exported 477,000 cases of their product, with a value f.o.b. Jaffa of £250,000 (\$1,250,000). A very carefully formulated plan has been presented for organizing a Palestine Fruit Growers' Exchange, with its locals, patterned after the California Fruit Growers' Exchange and the Florida Citrus Exchange, for the handling of the citrus crop and for extending its markets.¹³ However, this plan has not yet received sufficient support, from either the Government or the growers, to bring about its adoption.

So far, agricultural coöperation has made no headway among the Arabs, the sole Arab coöperative not having survived its registration. However, a Government official familiar with Moslem cultivators in Northwest India, after a study of conditions in Palestine in 1930, recommended the organization of Arab coöperative agricultural credit societies, separate from the Jewish societies, to make the Arab fellahin independent of their present creditors in the matter of their current needs and to bring knowledge of agricultural improvements to the Arab cultivators.¹⁴ These he would pattern after the German *Raiffeisen* society. He found little hope that Arab societies will in the near future be able to set up their own organization for final contact with the markets for oranges, nor did he think this necessary, since in this the efforts of the Jews and the Arabs should be combined with advantage to all parties. He did, however, conclude that separate local marketing societies for oranges should be formed in each

Arab village furnishing sufficient output to be considered by the larger marketing organization.

THE OUTLOOK

It is not easy to forecast the future of agriculture in Palestine, because of the many complicating factors, such as racial and religious prejudices and interests; the long established primitive agricultural methods of a large majority of the farming population; the tendency among many of the Jewish immigrants to place the chief emphasis of their lives on what they look upon as an improved social order devoid of the evils of capitalism, rather than to strive first of all for a sound economic basis for their movement back to Palestine; the distance from markets for surplus agricultural production; the illiteracy of the great body of native farmers; and the uncertain source of the outside funds needed for capital improvement of the land and for colonization.

There can be no question that under the stimulus of Jewish idealism and aspirations for the upbuilding of what the Jewish people look upon as their homeland, very great advances have been made in the agriculture of the country during the past decade. Always underfinanced, and from a strictly economic viewpoint handicapped by emphasis on social reforms and more or less grandiose aims, yet willing to bear with enthusiasm the necessary hardships of pioneering, the newcomers to Palestine have already revolutionized its agricultural life; or at least have given it a new impetus, a new emphasis on improved technique, and a richer outlook.

In spite, at times, of bitter antagonism from native peoples, the benefits resulting from the reorganization of agriculture are extending beyond the Jewish colonies. Presumably in time,

¹³ Viteles, Harry, *Proposals for the Organization of the Orange Industry within Palestine*, 1930.

¹⁴ Strickland, C. F., *Report on the Possibility of Introducing a System of Agricultural Coöperation in Palestine*, 1930.

through the continuing generosity of the Jewish people of the world, the Jewish agricultural settlements will be made self-supporting, and abstract theories regarding social reform and grandiose methods of procedure will give way or become adjusted to economic necessities. Attainment of these results for the Jews alone, however, will not achieve the full possibilities of Palestine agriculture. An advance in the welfare of the Arab cultivators is also needed, not only to lessen racial antagonisms and to equalize opportunities among the people, but also to make possible the organization of Palestine agriculture in such fashion as to secure to it an economic stability.

While there is much yet to be done along the technical side of agricultural production in Palestine, the final position of the industry will be determined very largely by the success achieved in disposing of the products grown. This fact has been recognized by some of the leaders, and the depression has brought it home to many who apparently hitherto had given it little thought. Still it is believed not to be generally appreciated by the growers.

The marketing of agricultural products at home is in itself a problem of no little difficulty, as experience has already shown. Able to produce for less and live on less, the Arab cultivators have the advantage. The Jewish producers are, however, strengthening their position in the local market through coöperation.

The export market, on which Palestine must largely rely for some of its products, especially those from the plantations, and some think also for dairy and poultry products, will present even greater difficulties. In 1930 the Egyptian Government levied duties which adversely affected melons, bananas, oranges, and almonds imported

from Palestine, even to the extent of practically stopping shipments of some and greatly reducing those of others. Numerous efforts have already been made to dispose of some of the fruits and vegetables in countries to the north, but reasonable success has been achieved only in the case of oranges. While there is general optimism among many of the growers that their Jaffa orange is of such superior quality as to be able to meet competition from other countries, the fact seems to be that this fine product, even when better standardized than in the past, will encounter its measure of difficulties. The successful marketing abroad of these products even at best will require common production standards among all producers, whether Arabs or Jews.

The trend in Palestine agriculture is generally toward fruits in order to make the most of the climatic advantages. This is most marked among the Jewish settlers, because in fruit production they see opportunity for the best use of their talents. However, more than a desire to raise fruits is necessary for a successful horticultural industry.

CONCLUSION

It is impossible to study the agricultural resources of Palestine and to consider the fundamental part their development will have in rehabilitating this neglected country without feeling hopeful of the outcome. The very intelligent and effective work of the Palestine Department of Agriculture and Fisheries, of the Jewish Agency Agricultural Experiment Station, and of the Jewish Agency and Pica colonization organizations has shown results, even if the immediate agricultural situation in Palestine is not an altogether happy one. The plains and valleys are taking on a new aspect, and the great interest in afforestation has already resulted in

overcoming the barrenness of portions of the hill country and restoring some of its historic verdure.

Altogether, this new agricultural movement in Palestine is a most interesting effort. While largely still in the experimental stage, there seems to be safety in concluding that an agriculture can be developed that will contribute very definitely to the establishment of a Jewish homeland and at the same time measurably improve the lot of the Arab fellahin. But it will cost a sizable amount of money for land improvement, for irrigation and other reclamation, for completion of present colonies and the establishment of others, and

for continued agricultural research and education.

The problem, in its broader aspects, is twofold: to increase the productivity of the land, involving both soil improvement and maximum conservation, development, and use of the irrigation water supplies; and to establish crop and livestock adaptations and cultural and management practices with reference to them, which will permit a higher standard of living among the agricultural population and be commensurate with the local needs of Palestine and with such opportunities as may be found to exist for the marketing of agricultural exports.

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Jewish Colonization in Palestine

By J. ELAZARI-VOLCANI

THE War put a stop to the development of Jewish agriculture in its earliest stages. Communications with the world were severed; local products could not be exported, and it was impossible to import those commodities on which the progress of agriculture depends. The mechanical and biological means for combating the 1916 locust invasion were lacking, and though the farmers saved most of their plantations from destruction, years of toil were necessary to restore their original productivity. The shortage of draft animals due to Army requisitions made impossible the proper cultivation of the plantations and consequently diminished their resistance against diseases and pests. Isolation from foreign markets and the extra expense incurred in changing the irrigation machinery because of the lack of petrol resulted in burdening the colonies with debts. Moreover, the markets were not reopened immediately after the conclusion of peace. In many countries the purchasing power decreased because of inflation and economic depressions. All the prewar efforts and all the hardships endured were rendered futile, and in 1921 the foundations of improved agriculture had to be laid anew with new forces.

RECLAMATION AND IMPROVEMENT PROJECTS

The land may be divided into three main types: the valleys, the coast, and the mountain range. The naturally fertile soil is covered with swamps and is not only itself unsuited to intensive cultivation, but prevents the development of wide areas within a radius of

miles. The dry land is exhausted; it yields niggardly crops even in good years, and in bad years it no more than returns the seed. The sands of the shore in their present state are not suited for cultivation. The hills, which were formerly terraced and covered with trees, are for the most part bare. In their present state they are not suitable for planting. The rains every year not only sweep away the remaining layers of soil on which they fall, but instead of permeating the soil, form swamps on their way to the sea. The soil can be rejuvenated by drainage and regulation of water on swampy grounds; by improvement and preservation of the fertility of non-irrigated lands; by introduction of irrigation on irrigable land; and by afforestation of sands, and afforestation and terracing of the hills.

The total area in Jewish hands is about 325,000 acres, of which 212,500 have been acquired during the past ten years. Before the Jewish agricultural settlements could be established on the land acquired by the colonization agencies, it was necessary in most instances to reclaim the swamps, ameliorate the land, and provide water for drinking purposes and in some cases also for irrigation. The draining of the swamps not only freed these territories from malaria but also opened up surrounding districts, owned by both Jews and Arabs, which were previously uninhabitable. Thus, for instance, Benjamina, a Pica (Palestine Jewish Colonization Association) settlement in Samaria, which now supports a population of about one thousand and can provide for about a

thousand more, was formerly occupied by only twenty to thirty families.

A second example are the Kabbara swamps, also in Samaria, having an area of about fourteen hundred acres which was used for several months in the summer by the Bedouins to graze buffaloes. The Pica already has reclaimed about three quarters of the land and made it suitable for cultivation. It is of interest to note that the Bedouins formerly residing on this land were among the three to four hundred workers employed in the construction of the thirty kilometers of canals, and have been given suitable dwellings.

A third striking example is the reclamation of the land by the Jews in the Valley of Esdraelon (Emek Israel). The smallholders workers' settlement in Nahalal, now supporting a population of over six hundred, was considered as cursed, and the few inhabitants who braved the nine hundred acres of swamps were afflicted with virulent malaria. Similarly, the swamps of the Nuris Block—4,000 of the total area of 8,250 acres—have been drained. By improving the channel of the Kishon River, the Jewish National Fund has made available 25,000 acres for intensive cultivation. A reclamation project which will be of great significance to the future of Palestine, is the drainage of about 15,000 acres of the Haifa Bay, undertaken and financed by the Jewish National Fund and the Haifa Bay Company.

Space does not permit describing all of the reclamation done by the Jews, of benefit to them and their Arab neighbors. The draining of the Charkes swamps has freed 5,000 acres from malaria and the area will be the home of five hundred agricultural families and two thousand workers. The Athlit swamps of nearly 750 acres now form one of the healthiest spots in Palestine, with a successful salt in-

dustry established. The 2,500 acres of Kubebei (near Ness Ziona in Judea) will provide the land for intensive plantation colonies, the Experimental Station, and the Girls' Training Farm. The flourishing citrus colony of Herzlia was possible only after the swamps had been drained.

All the crop lands bought by the Jews also have to be improved before they can be put under cultivation, at a cost of about twenty dollars an acre. Approximately about one and a half million dollars have been spent.¹ The Jewish National Fund also spent about \$700,000 in planting 1,225,000 trees on an area of about 1,500 acres. Of considerable importance will be the afforestation by the Pica of the Kayseri land, comprising an area of over 8,500 acres, received as a concession from the Government, of which over 300 acres have already been planted with eucalyptus trees, at a cost of about \$50,000. The stabilization of the sands in the region was of great benefit to the railway running between Palestine and Egypt. To complete the afforestation will require about \$100 per acre.

Good communications are a *sine qua non* of modern agriculture. "The ship of the desert" (the camel) will not do for transporting farm produce to the centers of consumption, especially dairy produce and vegetables. The Jewish institutions have spent about \$450,000 on the construction of arterial roads.

To summarize: The various Jewish bodies have spent over one and a half million dollars and will spend at least another half million in reclaiming swamps, ameliorating land, and so forth, of the present holdings. These public institutions have also spent about one and a half million dollars for

¹ In converting the Palestine currency into dollars, a £ has been considered at par—about \$4.86.

water supplies for drinking purposes and irrigation. This is exclusive of the expenditure by private people. The total investment by the public Jewish bodies for amelioration, drainage, afforestation, and construction of roads is about \$5,000,000.

THE COLONIZATION FUNDS

1. *The Zionist Organization—*

The Zionist Organization comprises the Keren Kayemeth (Jewish National Fund) and the Keren Hayesod (Palestine Foundation Fund). The Palestine Land Development Company, Ltd., a company limited by shares, is also under the supervision of the Zionist Organization. The Palestine Land Development Company, Ltd., acts as the land purchasing agent for the Keren Kayemeth and for private people. The Keren Kayemeth acquires and prepares the land, and provides water for drinking but not for irrigation and afforestation. The Keren Hayesod provides the settlers with buildings, implements, cattle, and irrigation installation.

The following principles govern colonization by the Zionist Organization:²

- (1) The land remains in perpetuity the property of the Keren Kayemeth, and the settler pays a rental to it for the use of the land.
- (2) A settler is allotted no more land than a family can cultivate with its own labor.
- (3) The unit of land allotted is 25 to 33 acres heavy non-irrigated soil, or 6.25 to 7.5 acres heavy irrigated soil, or 3 to 3.75 acres irrigated plantation (citrus) soil.

²Since October 1929 the Jewish Agency for Palestine has replaced the Zionist Organization as the colonization institution in Palestine.—H. V.

- (4) The cost of equipment per settler, *exclusive of land*, must not exceed about \$3,500.
- (5) Usually, groups who have worked as agricultural laborers in Palestine, in most instances for not less than five years, are colonized.
- (6) The practice has been for those being settled to select one of two forms—the "Kvutza" or the "Moshav."

The Kvutza is a coöperative agricultural settlement managed by a committee elected from among the members. The different kinds of work are distributed among the members, who generally specialize in various branches. The Kvutza is responsible for the maintenance of the members and their families residing there. The proceeds are distributed according to the needs of the members.

The Moshav (workers' smallholders' settlement) is constructed in the form of a village, each settler having and working his own holding, residing in his own home, and having his own property. But all buying and selling; the work with the heavier agricultural machines; the maintenance of the bulls; and the educational and social organization of the villages—all of these are coöperative. The exclusion of hired labor; mutual aid; and membership in the coöperative institutions are obligatory upon every member of the Moshav.

The Keren Kayemeth has invested nearly \$10,000,000 in the purchase and the amelioration of land, water supplies for drinking, afforestation, and certain structures. Of this amount, about \$7,000,000 was spent for land. About \$9,000,000 has been invested since 1920. The Keren Kayemeth has about 72,000 acres, of which over

65,000 acres have been acquired during the last ten years.³

The Keren Hayesod has invested about \$6,000,000 in establishing 1,435 agricultural holdings (farm units), of which 588 are in the Kvutzoth and 843 in the Moshavim. These 1,435 holdings have 4,000 heads of high-grade cattle and 92,000 pure-bred fowl, and cultivate approximately 40,000 acres. Most of these 1,435 holdings are concentrated on the heavy soil of the Valley of Esdraelon (the Emek), near the Sea of Galilee and the Jordan River.

2. *The P.J.C.A. (Palestine Jewish Colonization Association)*—

The colonization work of Pica is concerned now with the establishment of new colonies in Samaria—from Athlit to Hedera (on the coast)—and with the extension of its old colonies in Lower and Upper Galilee and in Judea. By going over to more intensive colonization and reducing the unit area, there is a twofold advantage. New areas are opened for new settlers, and the old settlers go over to intensive cultivation with the proceeds obtained by the sale of a portion of their land.

The Pica had 93,500 acres at the end of the War. Since the War the Pica has purchased another 21,000 acres (exclusive of the over 10,000 acres acquired by concession). Approximately \$1,500,000 has been invested in land; \$1,250,000 in swamp drainage, soil amelioration, and water installation; \$360,000 in road building and the Petach Tikvah-Lydda Railway line and in afforestation; and \$150,000 in the rehabilitation of the plantations in Judea after the War. In all, the

Pica has invested L.P.7,500,000 in land and colonization. The Pica has also invested about \$2,500,000 in such enterprises as the Grand Moulins, the perfume industry, and the Rutenberg scheme of electrification (which will play an important rôle in agriculture).

Of the Pica colonies in Samaria, Benjamina is deserving of special mention. It was built, as stated previously, on swamp ground, the drainage of which cost about \$235,000. (A further \$50,000 will be required to complete it.) Important experiments have been made in the organization of this colony, the results of which will be of great importance to new colonies. Irrigation crops, aromatic plants, pure-bred cows from abroad, modern stalls and a modern dairy, and new machines for plowing, canalization, and the leveling of the ground were introduced. Over \$250,000 has been expended on experimenting and administrative work, and another \$250,000 for the equipment of the settlers. The settlers, with own means, are installing irrigation plants and developing citrus groves.

Another important Pica undertaking in Samaria is the founding of the Hanna Pardess (Pardess Hana). Ninety-three farmers' families with three hundred individuals already have been settled. The plan is to settle five hundred families and two thousand workers on this area of five thousand acres, of which four thousand acres can be irrigated. The amelioration of the soil and the irrigation installation cost sixty-five to ninety dollars per acre.

The establishment of each agricultural unit will cost \$6,000 to \$7,000. The total investment in the farms, of which the Pica's share is 60 per cent, will come to about \$3,500,000, while the settlement of the workers will cost \$1,500,000, making a total of \$5,000,000 for the entire undertaking.

³ The Palestine Land Development Company, Ltd., has purchased for and resold to the Keren Kayemeth, to private companies, and to individuals, about 117,000 acres of land, of which 41,600 acres were sold to the last two categories for about \$3,500,000.

In addition to the foregoing, Pica has settled since the War, either in new colonies or by increasing the capacity of old colonies, 150 families in mixed farming and 50 families on plantation land, and facilities have been prepared for the settlement of a further 1,000 families.⁴

3. *Unorganized private capital*—

Unorganized private capital (as distinguished from the corporate bodies referred to above) is being invested for the most part in citrus plantation, and to a much smaller extent in mixed farming—made up of citrus growing, dairying, truck farming, and aviculture. As against 600 plantation farms in 10 plantation colonies ten years ago, there are now 1,347 in 34 plantation colonies. The citrus area has increased from about 2,500 acres

to 17,500 acres. The area of plantations of all kinds ten years ago was 27,675 acres and is now 51,500 acres. The population of the plantation settlements has increased from 5,654 to 21,977.

The distribution of the \$50,000,000 invested in the plantation zone is shown in Table I.

IMPROVED METHODS OF CULTIVATION IN THE FALHA ⁵ ZONE

The farm of the fellah ⁶ is one-sided; it is based on a two-crop rotation—summer crops and winter crops—and its mainstay is grain growing. An acre produces from 200 to 240 kilograms of wheat; the total income from a feddan (about 37.5 acres) is \$250 to \$290. With his farm in its present form, the fellah is doomed to everlasting poverty. The income from the same area under mixed and improved farming is \$1,200 to \$1,450, or a net profit in produce consumed on the farm and in cash of \$650 to \$850.

To raise the income of the farm from its present low level to that in other countries, it will be necessary to prepare the soil thoroughly, increase and maintain fertility, increase yield from existing crops, introduce new crops, diversify the agricultural branches, and improve organization. All of these require new methods of work, "a new cropping system," new methods of fertilization, and a departure from the accepted seasons for sowing; the improvement of the existing varieties, selection and crossing with varieties from abroad, preliminary experimentation, acclimatization of foreign plants, improvement of local cattle breeds, and plantations adapted to heavy soil.

From the primitive husbandry of the fellah to the improved mixed farm is a long and thorny way—literally

TABLE I

	Area (in acres)	Capital Invested (in thousands of dollars)
Citrus fruit:		
Orchards—fruit bearing	2,880	\$8,065
Orchards—2-4 years. . .	10,137	12,164
Orchards—1 year. . . .	3,290	2,632
Other plantations. . . .	13,341	5,337
House yards.	4,412	4,412
Field crop area and fallow.	44,407	8,881
Total value of land and plantation.		\$41,491
Buildings.		7,500
Livestock.		365
Machinery, tractors, etc.		225
Total.		\$49,581

⁴In addition to the above two colonization agencies, there are a number of private companies and plantation companies, of which the more important are The American Zion Commonwealth, Inc., the Meshak, and the Gan Chaim Corporation, Palestine Plantations Company, Ltd., and the Jaffa Plantations, Ltd.

⁵Grain.

⁶Peasant.

thorny. Soil which produces corn that does not reach the knee and in many places has to be pulled out with the hands because it cannot even be reaped with a sickle, and can only rarely be reaped with a machine, shoots with thorns and weeds that are taller than a man's height.

In contrast with the one-sided husbandry of the fellah—exclusively grain farming—the mixed farm includes dairying, cattle raising, poultry raising, plantations, and vegetable growing. The trend of mixed farming is the converting of grains into milk, meat, and eggs. Field rotation is based upon the maintenance of a balance between the crops taken from the earth and those returned to it as fertilizers; on the alternation of nitrogen-fixers and nitrogen-consumers; on the economizing of water, by which the life of a plant is determined and on which its yield is dependent; on storing the rain water on non-irrigation land; and on the economical use of spring water on irrigated land. Accordingly, forage crops play an important part in the cycle of rotations. In primitive husbandry there was no trace of them, and indeed it is impossible to raise these on the impoverished soil except after thorough preparation.

The low yields of the local cows is comparable to the scanty crops of the soil. To increase the yields of the cows it was necessary to cross the local cows with imported bulls of superior breeds—or import cows. A local cow gives 700 liters of milk; a cow from a local dam and a Holland sire gives about 2,500 liters. (Thus far, imported Dutch cows have been acclimatized only in a few localities.)

Poultry raising is 100 per cent innovation as regards organization, the selection of the suitable breeds imported—Leghorn, Plymouth Rock, and Rhode Island Red—and the cross-

ing of these with selected local breeds, the care and nourishment of the fowls, the construction of the buildings, the introduction of incubators, and the arrangement of the yards. An average of 150 eggs per hen per year has been attained; that is almost on a par with California.

In vegetable growing, much work has been done on testing varieties, systems of irrigation, rotation, and fertilization. Special attention is devoted to early vegetables, especially potatoes and tomatoes.

In order to diversify the source of income, every farmer has an acre or two of plantations—for the most part all varieties of table grapes which can be raised on heavy soil. The results of the improved methods introduced are shown in the following table:

TABLE II

	1920	1931
Number of cows	200	5,000
Liters of milk sold	100,000	4,261,900
Number of eggs sold ^a		3,310,000
Tons of chickens sold ^a		97
“ “ bananas sold ^a		742
“ “ table grapes sold ^a		444
“ “ vegetables sold ^a		1,550

^a Includes only settlements which have been established or assisted by the Keren Hayesod.

The above figures must be considered in the light of the fact that not all the settlements have received their full equipment and therefore not all have reached their full production capacity. For instance, the production of milk after the farms have their complement of cows will be 20,000,000 liters a year. There are 1,500 mixed farms (units) in the Valley of Esdraelon working 40,000 acres and supporting approximately 10,000 souls. These have about 5,000 cows and 100,000 pure-bred fowls. Each unit comprises from 25 to 30 acres. The

initial equipment of a farm costs about \$3,400; the land and its amelioration, \$2,400 to \$3,400; or a total of \$5,900 to \$6,800. A fully equipped and perfected farm, of which there are comparatively few, costs, *exclusive of land*, \$5,000 to \$6,000. But the importance of such farms lies in the fact that they are the forerunners of rationalized agriculture. It is they that show the way. The new farms will be built with the aid of accumulated experience, and will not have to travel the long road of trials and tribulations.

COLONIZATION IN THE PLANTATION BELT

The Jewish plantation colonies are for the most part situated on the coastal plain, on light, loamy sand-soil. At the conclusion of the Great War, the non-irrigated plantations, such as grapevines (6,000 acres), almond trees (5,000 acres), and olive trees (1,500 acres), occupied four-fifths of the area, and irrigated plantations such as citrus, one fifth. The Jewish citrus area has increased from less than 2,500 acres to over 16,500 acres (of which only about 7,500 acres are now fruit bearing), and is still on the increase.

The vines, the almond trees, and the eucalyptus trees are exotic. They were introduced by the plantation colonies and adapted to the soil and climate only after a long and difficult period of experimentation. The Jaffa orange, on the other hand, has long been naturalized; but the traditional methods of planting and work have been replaced by systems in vogue in other countries—particularly those used in California.

Mechanization, which has replaced hand labor in reclaiming and leveling the land to be used for citrus, has not only reduced the costs but it has also increased the earnings and the ef-

ficiency of the worker. Wider spacing increases the earnings of the worker through use of machinery, facilitates the control of disease and pests, intensifies and preserves the fertility, and permits more rational and economical irrigation. With the completion of the Jordan Electric Works, the electric motors, which are cheaper to maintain and easier to run, are replacing the gasoline motors. Considerable headway has been made in the more careful selection of saplings (with the assistance of a special division of the Jewish Agency Experimental Station), and the planting of grafted saplings saves a year. All these improvements have been applied to both the old and the new groves, with the result that crops have increased (400 and more picked cases to the acre is very common) and the average daily wage of the agricultural laborer has increased from 40-50 cents to 85 cents or one dollar.

The cultivation of grapefruit, which was introduced into the Jewish plantation colonies before the War, has increased both in quantity and quality, enjoying the best reputation and a brisk demand on all markets. About 150,000 cases were exported during the last season, and there are 1,000 acres already under cultivation, of which less than half is fruit bearing.

Mechanized grading, sizing, and packing are very gradually replacing the unsatisfactory hand grading, sizing, and packing. Because of the oval shape and other peculiarities of the Jaffa orange, it has been impossible to introduce the American machinery without considerable modification. The unsuccessful 1913 and 1920 experiments in mechanized grading and sizing discouraged the growers from trying again. With the joint coöperation of the Pardess orange coöperative, the Pica, the Palestine Economic Cor-

poration, Inc. (New York), and the Central Bank of Coöperative Institutions in Palestine, Ltd., a modern packing house, equipped with machinery specially manufactured in the United States after a study of the question in Palestine, was put up at the end of 1929. After experimenting for about three seasons it has been possible to adopt the machinery, and mechanized packing houses should proceed much faster than heretofore.

There have also been improvements in marketing. New markets on the Continent and in the Scandinavian countries have been found. Better, quicker, and more direct shipping facilities have been arranged. Coöperation among all Jewish exporters through a kind of an exchange arrangement has reduced the conflicts, duplications, and so forth, and decreased the freight costs. The first steps to organize a Central Exchange (modeled after the California Fruit Growers Exchange) have been taken. But thus far, the Arab growers have been slow to adopt the improved and new methods of coöperative marketing.

The present gross income of an acre of citrus is about \$600, and the net income about \$280 to \$350. A family in Palestine can be maintained on a full-bearing citrus grove of two and a half acres. It costs from \$1,550 to \$2,000 (including the cost of land and irrigation systems) to bring one acre of citrus grove to fruit bearing and profit state.

COLONIZATION IN THE MOUNTAIN ZONE

Amelioration of land for colonization in the mountains involves heavy expenditures, while the sources or agricultural branches of livelihood are even poorer and fewer than those in the plains. Only with the introduction of new branches can the agriculture be

improved. In the vicinity of Jerusalem, two Jewish settlements have been established: one—Kiryath-Anavim—on the road to Jaffa, and one—Ataroth—on the road to Nablus. Both are to be regarded only as a beginning, and are important only as advance scouts for the modernization of husbandry in the hill country. Innovations have been made in terracing and in water supply; fruit trees adapted to the climate of the hills have been planted, most of them imported (table grapes, apples, and pears); dairies have been established and supply milk to Jerusalem; Dutch cows, whose productivity is higher than that of the best cows in other settlements, have been acclimatized; poultry raising is also developing satisfactorily. The equipment of the two settlements, *which support 43 families*, cost \$130,000.

AGRARIAN INDUSTRIES

The most important agrarian industries in the country are:

- (1) Grands Moulins, including Matzoth Bakery
- (2) Wine Cellars of Richon-le-Zion and Zichron-Jacob
- (3) Perfume industry
- (4) Oil industry
- (5) Dairy industry ("Tnuva")
- (6) Citrus produce industry

(1) The investment in the Grands Moulins of Haifa and the Matzoth Bakeries which were established by the Pica is over \$1,000,000, and the annual turnover about \$1,200,000. They employ 70 workers during the eight months in the year, and an extra 20 workers during four months of the year. The daily capacity of the mills is 50 tons of flour.

(2) In all, nearly \$1,000,000 has been invested in Wine Cellars which are also a Pica venture. The annual turnover is about \$325,000. The num-

ber of workmen employed is 70. The Wine Cellars also have started the manufacturing of concentrated grape juice, and have improved the winepress and the distillation of alcohol from grapes. The cellars produce today approximately 40,000 hectoliters of wine a year, as compared to 20,000 hectoliters immediately after the War and 60,000 before the War.

(3) The investment in the Perfume Industry, a third Pica enterprise, is about \$200,000. The plant, which employs a permanent staff of ten, is still in its infancy.

(4) The Shemen Oil Press, Haifa, engages in the manufacture of refined oil, toilet soap, and oil cakes for cattle fodder. Its annual output is 3,000 tons of oils, 3,500 tons of cakes, and 900 tons of several varieties of soap. It has a nominal capital of about \$500,000. In all, about \$750,000 has been invested in buildings and machinery. The annual turnover is about \$850,000. The establishment employs 160 workers.

(5) "Tnuva" is a coöperative of agricultural producers. It has eight plants for the Pasteurization of milk and the manufacture of dairy products. Last year it handled about 4,000,000 liters of milk. It also sells vegetables, fruits, eggs, and poultry. It employs 136 people. The turnover last year was about \$700,000.

INSTITUTIONS FOR RESEARCH, EXTENSION, AND TRAINING

1. *The Institute of Agriculture and Natural Science* (generally called the Experimental Station of the Jewish Agency) was founded in 1921 by the Keren Hayesod. The Jewish Agency for Palestine now maintains it. It has the following departments: Biology, Agricultural Chemistry, Entomology, Phytopathology, Agronomy, Plant Breeding, Horticulture (general), Cit-

rus Breeding, Animal Feeding, Poultry Raising, Rural Economics, and Agricultural Extension.

The Institute has a Central Station at Rehoboth and a branch at Gevath, Valley of Esdraelon. The offices, the laboratories, and the Citrus, Feeding, and Extension Divisions are in Rehoboth; the agricultural divisions at Gevath. At the Central Experimental Station there are about 325 acres devoted to experiments in plantations, field crops, and vegetables. At the Station Jabata in the Emek, there are 340 acres devoted primarily to grain experiments, and in different parts of the country about 500 acres.

The useful and noxious wild plants and insects of the country have been studied and classified; about 5,000 species of insects have been reported, and means of controlling them have been devised; the largest herbarium of Palestine, with 50,000 species of plants, has been set up. (The herbarium has been transferred to the Hebrew University, Jerusalem.) New useful and decorative plants have been introduced; the types of soil in different parts of the country have been studied; the composition of the different products of the country has been investigated; the principal fungi and bacteria which cause disease among plants have been collected and studied, and methods of controlling them determined; the amelioration of land, methods of cultivation, crop rotation, fertilizers, and systems of irrigation have been studied. The seed varieties of the land have been studied; cereals, fodders, and industrial plants have been improved by selection and crossing; exotic plants have been introduced and hundreds of new varieties of plantation trees have been studied. A beginning has been made in the selection of citrus plants; poultry husbandry has been improved by

selection, nutrition, and care; facilities have been created for the intensive study of cattle feeding problems; and different types of agricultural economy have been studied. The Extension Department, by means of demonstration fields, publications, lectures, courses, institutes, and inspection tours of the farms, has increased productivity and profitability of agriculture.

The Experimental Station has thirty-six on the staff. It has an annual budget for research and extension of less than \$60,000, and has released about 120 publications, dealing with most of the branches of agriculture.

2. *The Agricultural School in Mikveh-Israel* was founded in 1870. It has an area of 650 acres and embraces every branch of agriculture; grain land, irrigation land, non-irrigated land; irrigated plantations, non-irrigated plantations, dairying, poultry raising; and wine. In the last ten years the land under fodder cultivation has been considerably extended, particularly irrigated fodder; the grain crops have been increased; the area of citrus orange groves has been increased from 30 to 75 acres, and that of the vineyards from 50 to 62 acres. The cattle have been improved by crossing with a Holland bull. The cattle number 100 head. High breeds of poultry have been introduced. The number of chickens is 800. The apiary has been improved by importing queen bees of an Italian strain.

The annual budget is about \$85,000, of which less than one third is covered by the Alliance Israelite Universelle.

The teaching staff numbers ten specialized teachers. In addition, the institution employs 120 workers (laborers and office staff). It has a three-year course, and there are 190 pupils. There are 586 prewar and 474 postwar graduates—total 1,060.

3. *The Agricultural School for Girls in Nahalal*, founded in 1923-24, occupies an area of 125 acres and embraces the principal branches of agriculture; cereals cultivation, plantation; vegetable growing, flower gardening, dairying, aviculture, and apiculture.

The annual budget is about \$15,000. The teaching staff numbers eleven specialized teachers, the Director and bookkeeper. To date, 118 pupils have completed the School Course, and 92 per cent have established themselves in agricultural work in the country.

4. *The Children's Village of Ben-Shemen*, founded in 1927, occupies an area of 137 acres. The annual budget is about \$40,000. The teaching staff consists of 10 specialists and 25 other workers on the farm, in the household, and in the administration. The course is divided as follows: kindergarten, 3 years; children's society, 4 classes, 8 years; adolescents' society, 2 years. The principal cultures are grain growing, dairying, vegetable growing, horticulture, poultry raising, and bee keeping. An orange grove is being planted.

5. *Women's Training Farms* were first instituted in 1923. They give practical training to women in all kinds of agricultural work, for a period of two to three years. Those completing the course generally become members of the coöperative agricultural settlements (Kvutzoth) or of the smallholders' settlements (Moshavim). There are at present six Women's Training Farms, occupying an area of 115 acres, where 120 workers are being trained. The principal phases of agriculture on which they specialize are dairying, poultry raising, vegetable cultivation, and nursery gardening.

In 1930 a seventh Women's Training Farm was founded, which has 112 acres and room for 100 trainees. The annual budget will be about \$100,000.

AGRICULTURAL ORGANIZATIONS

1. *The Palestine Jewish Farmers Association—*

The membership of this Association today numbers about twelve hundred farmers from the non-workers' settlements. Its object is to protect the interests of the farmers and to promote the progress of agriculture. One of its most important departments of work is that for citrus, which finances considerable experimental work. The Association publishes a weekly paper, *Boust'nai*.

2. *The Agricultural Workers Organization—*

The aim of this organization is twofold: to protect the interests of the worker and to qualify him for colonization. As compared with 324 members in 1920, the Organization now numbers more than 7,500 agricultural workers in the colonies alone; 1,500 members in 30 Kvutsoth (coöperative agricultural settlements); and about 1,200 organized in 16 groups for colonization on an individual basis (smallholder settlements). The Organization publishes an agricultural monthly entitled *Hassadeh*.

SUMMARY

During the past decade, close upon \$50,000,000 have been spent on the building up of Jewish agriculture in Palestine. Of this amount, about

\$17,500,000 have been expended upon land purchases; over \$5,000,000 upon ameliorations, the elementary preparation of the soil such as swamp drainage, irrigation, afforestation, road building, and first plowing; and over \$3,500,000 on the more important agricultural industries. The share of the Zionist funds—the Keren Kayemeth and the Keren Hayesod—in these investments has been more than \$15,000,000; that of Pica, in colonization and agricultural industries, \$10,000,000; and that of private capital, nearly \$25,000,000. About 2,700 agricultural farms (units) have been established, and there has been an increase of over 27,000 in the agricultural population. Land and facilities have been prepared for establishing about 4,000 more homesteads within the next few years.

This colonizing achievement should be appraised not by world standards but by pioneering standards, as the vanguard of later achievements, greater far than itself in extent and scope, in every field of agriculture. Jewish agriculture already constitutes a modern entity complete in all its organs: institutes of research equipped with laboratories and experimental farms; up-to-date educational institutions; coöperative institutions; credit institutions; and professional agricultural literature. The way to further colonization on a large scale is therefore paved.

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Commerce, Industry, and Banking

By A. P. S. CLARK

ONE of the results of the Great War has been the emergence of Palestine from a position of economic obscurity as an insignificant part of the Turkish Empire, to one of growing importance in the Near East. The student at the close of the nineteenth century could have found here scant material for study, except in so far as it related to Biblical associations and to recurring religious conflicts.

PREWAR PALESTINE

Palestine before the new era with which we have to deal was a primitive agricultural country. Cereal crops were grown mainly for home consumption; barley in small quantities was shipped to Europe for malting. Olive oil formed the basis of an industry centered round Nablus, which supplied the Moslem Egyptians with soap free from animal fats; and oranges found an appreciative market abroad, especially in England. No new crops, however, were attempted, the native farmer being satisfied with dragging out a poor existence from a soil and climate the potentialities of which he left unexplored. Nor did he realize the possibilities of Palestine's position as the bridge between Europe and the Middle East. The land of proverbial fertility, the route of marching nations, had become a backwater. Until the latter half of the nineteenth century, no wheeled cart moved across its tracks; at the outbreak of the Great War it had seen only one automobile pass by.

BEGINNINGS OF CHANGE

Change, however, had begun before the War, coming from two main direc-

tions almost simultaneously. Groups of religiously minded Germans made their way to the Holy Land, occupying themselves in cultivation and handicrafts, whilst the national revival among the Jews in the Diaspora inspired the beginnings of the resettlement in their ancient homeland. The German Templar Colonies were founded in 1868, Jewish immigration began in 1870, in 1892 a French company built the first railroad (between Jaffa and Jerusalem), and under such stimuli the country began to rouse itself.

These movements from the West opened the way for increasing numbers of tourists and pilgrims, and encouraged new industries such as the making of souvenirs and articles of piety, while at the same time enlightened methods of cultivation resulted in the expansion of grape growing for the vinting of wine, and of orange plantations. Exports began to assume comparative importance as shown by the following table of oranges shipped to England:

TABLE I

Season	Cases
1890/91.....	177,134
1900/01.....	250,000
1910/11.....	628,013
1913/14.....	910,548

In Palestine, demand gradually grew for foreign products such as cotton piece goods, timber and iron for building, packing material for oranges, and petroleum. Imports into Palestine for the last prewar year totaled LE1,616,000;¹ exports, LE1,093,000.

¹LE=Egyptian Pound. Par value about \$5.00.

In banking, the changing situation was reflected in the opening of branches of the Imperial Ottoman Bank, Deutsche-Palästina Bank and Crédit Lyonnais to serve the needs of the growing foreign communities and of the expanding trade with Europe, while the Anglo-Palestine Company, Limited and coöperative credit societies provided the Jewish settlers with their own banking institutions.

AFTER THE WAR

With the removal of the Turks, however, the setting up of a civil administration in July 1920, and the opening of the country to Jewish immigration, a new era was begun. The impoverished condition of the farmer, who during the period of the military campaign had been unable to attend to his crops, was a matter of immediate concern to the Government, and arrangements were made with the newly established British Bank—now Barclays Bank (Dominion, Colonial and Overseas)—for a loan of £500,000 for short and long-term agricultural loans. The military railway from the Suez Canal across the Sinai Desert to Ludd was extended to Haifa, roads were built, and telephone and telegraph communications established.

With no visible natural resources and with half the country said to be unsuited to agricultural enterprise, it was hard to visualize development of importance. Nevertheless, these drawbacks did not deter the Jewish settlers. Large tracts of land, belonging for the most part to absentee landlords who were only too anxious to turn into hard cash properties which they had been unable to cultivate fully, were soon bought and the first steps in the establishment of new agricultural colonies were taken.

At the same time this influx of people with a trading experience of

generations and a later though intensive experience in workshop and factory, branched into the towns, where several large and a few thousand small industrial enterprises were set up.

Before the War, apart from soap and wine industries and the making of Hebron glassware, no manufacturing processes were carried on. The simple needs of the inhabitants were supplied by the local craftsman, who had carried on his art of weaving carpets, mats, and cloth, of tanning, and of pottery, by the same crude methods as his ancestors', while the requirements of the wealthier classes were imported.

These provisions for the needs of a prewar Palestine were, however, totally inadequate to the demands of the postwar immigration of westernized people. Imports therefore increased rapidly. The adverse trade balance which before the War had been only a few hundred thousand pounds quickly assumed disconcerting proportions, prompting the inquiry as to how it was to be covered in the future. This position naturally gave a stimulus to the newly arrived manufacturing experts, the skilled workers, and the owners of capital, who were ready to take advantage of every opportunity for filling the vacuum. They set themselves the task of supplying the local market with as many products as possible. To them it was at once a natural way of earning a livelihood and a contribution towards the up-building of the country.

INDUSTRIAL BEGINNINGS

The early years of this industrial movement were full of difficulty and disappointment, but nevertheless progress was maintained. Thanks to the support of the new population, actuated by a spirit of loyalty and of devotion to the country's future, the use of home products, which at first

was largely uneconomical, was popularized. Without this support it is doubtful if many of the new ventures would have survived. Another help to some of the infant industries was the proximity of potential markets. It is clearly better for, say, a department store in Cairo to order small quantities of goods from Palestine and have them delivered fresh within three or four days than to have to hold large

with a capital of LP518,876, of which one cement factory accounts for LP300,000. The amount invested is not large when it is noted that from 1924 to 1931, building in Palestine (excluding Government public works, military expenditure, and building in the colonies and villages) has absorbed over LP11,500,000. The tendency for the local building industry to develop is shown in the following table:

TABLE II

Year	Amount Invested in Building (excl. Public Works) (in LP) ^a	Import of Cement (Tons)	Export of Cement (Tons)
1925.....	2,058,700	82,540	.....
1926.....	1,141,000	29,100	2,100
1927.....	770,100	23,300	9,000
1928.....	692,500	14,200	11,500
1929.....	1,741,700	8,000	7,600
1930.....	2,448,700	5,150	12,400
1931.....	2,720,700	4,725	14,983

^a LP = Palestine Pound. Value equal to pound sterling.

stocks of perhaps unsalable goods, to replace which from Europe would take some weeks.

The new industries set up fall into three categories: first, such as are indicated by the obvious requirements of the country, as, for example, cement, bricks and tiles for building, and electricity in the absence of the usual forms of fuel; then, such as are based on the raw materials found or produced locally—chemicals from the Dead Sea, salt, edible oil extraction and refining, and flour milling; and finally, such as are made possible by the knowledge and skill of the new immigrants.

BASIC INDUSTRIES

The Government census of industries taken in May 1928 shows 198 establishments connected with the building industry (excluding timber),

Part of the fall in imports of cement may be ascribed to the decline in annual building activities between 1925 and 1928; but the great increase in building since 1928 is accompanied by an equally striking decrease in the amount of cement imported and by an increase in the amount of cement exported. Recognition of the quality of local cement is afforded by its exclusive use in the construction of the new harbor at Haifa, which is costing approximately LP1,250,000.

With regard to electricity, a large hydroelectric station at Jisr Majamie (at the junction of the Jordan and Yarmuk Rivers) has recently been completed, which, together with the reserve stations at Haifa, Tel-Aviv, and Tiberias, involved a capital outlay of about LP900,000. It should now be possible to supply cheap power for

irrigation purposes in the citrus plantations and to the workshops and factories in industrial centers.

INDUSTRIES USING LOCAL RAW MATERIALS

Of the second category of industries—those based on the raw materials found or produced locally—the largest is Palestine Potash, Ltd., extracting chemicals from the Dead Sea. It is estimated that the Dead Sea has hundreds of thousands of metric tons of potassium chloride, magnesium bromide, sodium chloride, magnesium chloride, and calcium chloride. The company, which was organized at the end of 1928 to operate a seventy-five year concession, is engaged in completing its plant. Some bromides and potash have already been exported.

In the second category of industries, the olive and sesame oil presses and the soap manufactories are of special interest, as they give a picture of an indigenous occupation which had assumed importance long before the War and which had also modern methods applied to it.² Three hundred and sixty-four of the 522 establishments extracting olive and sesame oil were in existence before the War; 493 work by animal power in most cases, that is, by means of the circumambulation of a blinkered donkey or camel. Two hundred and eighty-six thousand pounds is invested in lands, buildings, machinery, and working capital. The northern subdistrict, which includes Acre, Jenin, Nablus, and Nazareth, the traditional home of the industry, contains 380 establishments (364 of which use animal power) with a total investment of LP39,000, or an average of about LP100. The postwar plant, Shemen Oil Company, at Haifa has a capital of LP250,000.

² Figures are as found by the Government Census of Industries taken in May 1928.

Primitive though the native olive oil presses are, their output forms the basis for the important soap industry, which is composed of 42 establishments, 30 of which are prewar, with a combined capital investment of LP276,000 (an average of about LP6,500) and an output of over LP350,000 in 1927. They all use hand power only. Twenty-four establishments are located in or near Nablus, with a capital of LP230,000 and an annual output valued at LP240,000.

The following table of exports of laundry soap, mainly to Egypt, shows that the slump in world prices has hit this largest of the native manufactures. The price movement is interesting, the quantity exported in 1927 being 5,316 tons; in 1930, 5,945 tons; and in 1931, 4,047 tons.

TABLE III

Year	LP
1925.....	254,100
1926.....	174,600
1927.....	233,000
1928.....	222,900
1929.....	214,100
1930.....	204,900
1931.....	119,941

The soap, however, is of a kind which people of European tastes would not wish to use. Their demands are met partly by import and partly by the output of the Shemen Oil Company and other smaller firms. The import into and export from Palestine of toilet soap is given in Table IV, in LP.

IMPORTED INDUSTRIES

The third category is the most interesting from the point of view of the postwar development of Palestine—the category of industries that have been made possible primarily by the knowledge and skill of the new immigrants—and it includes a host of

TABLE IV

	1927	1928	1929	1930	1931
Import.....	1,600	1,000	1,100	900	772
Export.....	1,100	1,600	1,100	1,400	2,548

articles never before made (many never before seen) in Palestine. Iron bedsteads, carpets, biscuits, custard powder, preserved fruits, preserved fish, cigarettes, paper bags, cardboard boxes, leather, upholstery, refrigerators, cinema films, boot polish, hosiery, pyjamas, macaroni, fruit juice, aerated waters, knitted goods, combs, ice, glue, sacks, concrete pipes, iron safes, bath stoves, bathing costumes, blankets, thread, praying shawls, ropes, neckties, hernia trusses, umbrellas, candles, scouring powder, fertilizers, poultry feed, perfumes, matches, lithographic stones, automobile bodies, mirrors, envelopes, toothpaste, insect powder, artificial teeth, razor blades—these are some of the articles newly produced in Palestine.

Of the 3,505 industrial establishments enumerated as at the end of 1927 by the Government Census of Industries, 1,236 were prewar and 2,269 postwar. Their geographical distribution and the types of power used are interesting. (See Table V.)

It will be seen that the newer industries have gone to Haifa and Tel-Aviv. The tendency towards Tel-

Aviv is not shown as marked as it really is, since the municipal boundaries include within Jaffa (which is contiguous to Tel-Aviv) districts which ethnographically and industrially really form part of the new town.

SIZE OF INDUSTRY

The size of the new industrial undertakings is best shown by taking Tel-Aviv, which is almost entirely postwar and for which figures are available (Census of Jewish Industry and Handicrafts taken by the Jewish Agency) for 1929. The 294 industrial enterprises then enumerated (including the Palestine Electric Corporation) had a total capital investment of LP578,015; that is, the average capital was under LP2,000. There were also 699 establishments of handicrafts of various kinds; that is, workshops turning out articles for local consumption, employing, with owners, not more than four persons each. These had a combined capital of LP62,000—an average of under LP90. The average capital of both classes of industrial enterprise in Tel-Aviv is thus only LP645. The smaller enterprises predominate.

TABLE V

	Prewar	Postwar	Total	Types of Power		
				Hand	Animal	Motor
Jerusalem (including Motza and Ein Karem).....	167	491	658	568	10	80
Jaffa (including Sarona and Beit Dajan)	93	166	259	197	1	61
Haifa (including various villages and colonies).....	82	239	321	173	41	107
Tel-Aviv (alone).....	26	258	284	178	..	106

Figures for the consumption of electricity show the tendencies at Tel-Aviv:

employing 218 people. The import and export figures for the industry, shown in Table VIII in LP, tell the story.

TABLE VI

	1930	1931
No. of artisan and industrial consumers.....	603	646
No. of electric-driven motors.....	966	1,156
Horse power.....	3,431	4,240
Consumption in kilowatt hours.....	980,000	1,400,000

The industrial consumption in 1924 was 39,100 kilowatt hours.

The total consumption of electric power from all Palestine electric corporations is given in the following table. (The corporation does not supply Jerusalem and district.)

TABLE VII

	Number of Consumers	Kilowatt Hours Sold
1930.....	10,612	5,352,630
1931.....	12,020	8,442,791

Presentation of figures connected with certain of these industries will complete the picture, and as examples we may take the manufacture of stockings, handbags, cardboard boxes and artificial teeth.

Before the War there was one establishment making hosiery; the personnel consisted of the owner, and the capital invested was LP15. Since then five more have been established—one in Jaffa with a capital of LP30 and personnel of 1, and four in Tel-Aviv with combined capitals of nearly LP56,000,

The factory for making handbags was established in 1927. Exports began in 1928 with LP900 of goods, increasing to LP3,900 in 1929, LP6,300 in 1930, and LP6,033 in 1931.

The seven establishments for making cardboard boxes are all postwar and explain the decrease in the import of cigarette and tobacco boxes from LP22,200 in 1927 to LP199 in 1931. At the same time exports rose from nil in 1926 to LP600 in 1927 and LP2,234 in 1931.

The artificial-tooth factory commenced working in 1926. Its exports were valued at LP1,100 in 1927 and have increased year by year to LP16,152 in 1931.

Similarly, the value of the exports of biscuits, fruit juice, cement, tin manufactures, mirrors, beds, boots and shoes, neckties, embroidery, upper leather, wearing apparel (from LP2,200 in 1925 to LP15,924 in 1931), and books (LP10,231 in 1931) has gone up.

Coincidentally, the import of the raw material for these manufactures has increased, but the import is not merely for consumption but for the

TABLE VIII

	1925	1926	1927	1928	1929	1930	1931
Imports.....	52,700	43,900	34,600	42,400	31,000	29,100	26,600
Exports.....	400	2,500	12,600	17,500	18,900	19,700	16,100

application of skilled processes, hitherto unknown in Palestine, to the raw material.

GENERAL COMMERCIAL EXPANSION

The factors responsible for the expansion of industry in Palestine brought about at the same time a general expansion in the commerce of the country. Imports in 1913 totaled LE1,616,000, and exports LE1,093,000. In 1920 they rose to LE5,549,000 and LE771,700 respectively. The following table shows the figures since 1926.

TABLE IX

	Imports for Consumption	Exports
	(In thousands of LP)	
1926.....	6,594	1,308
1927.....	6,184	1,900
1928.....	6,771	1,487
1929.....	7,167	1,554
1930.....	6,985	1,896
1931.....	5,940	1,572

The apparent decrease in imports in 1930 as compared with 1929, and for 1931 as compared with 1930, is due to the world drop in commodity prices. The principal goods imported, although showing a drop in value, at the same time show an increase in quantity.

Excluding the effects of the world slump, the increase shown in the table is due largely to the importing of such goods as industrial machinery, electrical plant, wood for orange cases, and fertilizers, which themselves improve the internal productive capacity of the country by either stimulating exports or enabling goods to be manufactured in the country which otherwise would have to be imported. Chemical fertilizers are a case in point,

the increasing quantities being required for the expanding citrus plantations.

TABLE X

	Import of Chem- ical Fertilizers
1921.....	Nil
1922.....	LP12,462
1923.....	11,746
1924.....	21,892
1925.....	28,959
1926.....	26,492
1927.....	27,563
1928.....	38,619
1929.....	59,396
1930.....	52,227
1931.....	33,233

Automobiles, without which transport would be chaotic in Palestine, show a similarly notable increase. In 1914 there was only one motor car in the whole country. The following table shows the number imported since 1922.

TABLE XI

1922.....	385
1923.....	229
1924.....	305
1925.....	805
1926.....	767
1927.....	572
1928.....	1,011
1929.....	823
1930.....	848
1931.....	665

The considerable deficit in the balance of trade is compensated for by remittances from abroad received by the institutions of the different communities—Catholic orders, missionary societies, Zionist bodies, and orphan homes and hospitals—by immigrants' capital, by the incomes derived by many of the immigrants from investments in their countries of origin, and by the money spent by tourists on that very impor-

tant asset of Palestine, its religious associations. Exact figures are difficult to arrive at, but it has been conservatively estimated that in the ten years 1919 to 1929 the amount of capital brought into Palestine *by Jews alone* amounted to no less than LP40,000,000. The heavy balance of trade against Palestine hitherto has been righted through invisible exports. But the general world crisis, with the resultant decline in the value of the fellahin's primary products, shrinkage in tourist traffic, falling off of contributions from abroad to all institutions, the restricted immigration, and more recently the fall in the purchasing power of the Palestine Pound (which is linked to the Pound Sterling), makes it unlikely that Palestine will be able to afford for long a continuation of the unfavorable trade balance. (The figures of 1931 imports for consumption given above show a marked reduction.)

CURRENCY

The economic development of Palestine which has been sketched demanded a more stable currency than was afforded by the Turkish money in use before the War. Gold was then the actual medium—French and English as well as Turkish. After the War, Egyptian currency was made legal tender until 1927, when the present Palestine currency, based on sterling, was brought into use. The currency, fully covered in London by cash and approved securities, is in charge of a Currency Board in London, represented in Palestine by the Government Treasurer and by Barclays Bank (Dominion, Colonial and Overseas), who have custody of the local stocks of notes and coins. The unit is the Palestine Pound (equal to £1 sterling), and is divided into 1,000 mils. Notes are issued in various denominations from LP½ to LP100, and coins,

bronze, nickel-bronze and silver, in denominations from 1 mil to 100 mils. Provision has also been made for a gold coin of LP1 containing 123.27447 grains of standard gold, but it is not intended for the present to mint this. The total currency in circulation on March 31, 1932 was LP2,408,664, made up of: notes, LP2,078,168; silver coins, LP283,000; and other coins, LP47,496.

As the amount of Egyptian currency exchanged for Palestine and repatriated to Egypt by March 31, 1928, when it was demonetized, totaled approximately £1,900,000, the circulation has increased by over half a million pounds, which is a proof of confidence in the currency. An interesting further proof of this is the hoarding in the villages, notes taking the place of the gold that used formerly to be put away.

CREDIT SYSTEM

Just as the economic development of Palestine required a better currency than the prewar, so did it demand more adequate facilities for the conduct of business than were afforded by the prewar private money lenders who supplied such finance as had hitherto been required. Commerce, particularly in its importing side, was managed through agents working on commission, who acted as the link between the exporter abroad and the local consumer. This system is still found sufficient, since the Palestine market is not large enough to make it possible for foreign firms to open branches or to send direct representatives, though this has lately been done by the more important oil companies. But finance demanded more careful organization and had to be adapted to the peculiar needs of the population.

There has resulted a threefold credit

system—money lenders, banks, and coöperative societies. Most of the native peasants—disdainful of paper and mistrustful of people—hoard whatever wealth they possess in gold or notes in holes in the ground; and though many of them live in dreadful poverty, there are still numbers who have fair sums in cash. At the same time, the poor ones are inextricably in debt to the village money lenders, having to pay even two hundred per cent and more in interest.³

Alongside this money lending system exist a strong coöperative movement and a normal banking organization, which between them supply all the commercial and part of the agricultural credits required. The coöperative movement is fully dealt with elsewhere in this volume. In banking, four large institutions and a large number of smaller ones amply provide for all the ordinary needs of the country. This service is, in the main, organized on English rather than on American lines; that is, by large joint-stock banks with branches all over the country, instead of by one- or two-branch banks acting independently. The four banks are Barclays Bank (Dominion, Colonial and Overseas), the Anglo-Palestine Bank, Limited, Ottoman Bank, and Banco di Roma, each of which apart from its general business has some special affiliations which give it particular interests.

Large banks—

Barclays Bank (Dominion, Colonial and Overseas), by virtue of its large overseas connections and its position as banker to the Palestine Government and as Agent for the Palestine

Currency Board, may be considered the leading bank in Palestine. As of September 30, 1931, it had a paid-up capital of £4,975,500, reserves of £1,650,000, and deposits of over £60,000,000 at over 400 branches in Egypt, South Africa, and most of the important Crown colonies. In Palestine it serves Jerusalem, Jaffa, Tel-Aviv, Haifa, Nablus, Nazareth, and Acre, with their districts. The Head Office is in London.

The Anglo-Palestine Bank, Limited, with its Head Office in London, is the leading Jewish bank. Its paid-up capital is £300,842, and deposits as of December 31, 1930 totaled £1,865,000. It has branches at Jaffa, Jerusalem, Tel-Aviv, Haifa, Safed, Tiberias, Petah-Tiqva, and Beirut.

The Ottoman Bank, with Head Offices in İstanbul, London, and Paris, was the old Turkish Government bank, and operates principally in territories of the prewar Ottoman Empire and in Egypt, with branches in Jerusalem, Jaffa, Tel-Aviv, Haifa, Nablus, and Amman. Its paid-up capital as of December 31, 1929 was £5,000,000, reserves £1,250,000, and deposits £15,139,000.

Banco di Roma is an Italian institution operating in that country and in Palestine, Syria, and Turkey. Its branches in Palestine, where it handles the accounts of a number of the Catholic institutions, are situated in Jerusalem, Jaffa, Tel-Aviv, and Haifa. Its paid-up capital as of December 31, 1931 was 200,000,000 lire, reserves 62,000,000 lire, and deposits 422,900,000 lire.

Local banks—

The more important among the local banks are the Workers' Bank, the Loan Bank, Ltd. (which grants loans to small urban borrowers similarly to the industrial and personal loan

³"The total amount of debt has been estimated at LP2,000,000 and the number of cultivating families may be 80,000 to 100,000." Report by Mr. C. F. Strickland on the Possibility of Introducing a System of Agricultural Coöperation in Palestine, p. 3, par. 2.—H. V.

departments of several New York banks), the Mercantile Bank, the Bank der Tempelgesellschaft (of the German Templar community), and the Mizrahi Bank. All, with the German exception, are Jewish. A small Arab bank represents the beginnings of independent effort among the Palestine Arabs. There is a host of small banks, some with a paid-up capital of only LP1,000 or less. There are other banks which serve special purposes, such as the Central Bank of Coöperative Institutions in Palestine, Ltd., which works only with coöperative societies, both short and long-term financing, and the Palestine Corporation, Ltd., which grants industrial credits and finances the purchase of raw material for industrialists, and extend longer termed agricultural credits to citrus growers.

Native attitude—

The native population are still somewhat shy of banks, preferring to hide their money in the ground or to lend it out at high rates of interest. They cannot yet be said to have acquired the banking habit; nevertheless, banks are extending their influence and are being used to a far greater extent than say five years ago. The use of checks is growing, and traders' accounts are now settled by check instead of with gold or notes as before the War, the use of current accounts by shopkeepers and merchants being found more convenient than the old method of keeping cash in the shop or store and sleeping on it for safety.

Government has encouraged the use of banks by abolishing stamp duty on receipts for cash deposited with them and by halving the stamp duty on checks, which is now 7 mils;⁴ while the practice of thrift is encouraged by the coöperative credit societies and by the

leading banks, which have of recent years introduced a savings service.

The banking system—

In a general way the business of the banks is conducted upon conservative lines, the British system and the British outlook and policy in banking having been introduced into the country with the establishment of the English Government Bank in 1918. Now, with the introduction of the English Bills of Exchange Act, English Company Law, and (shortly) the English Bankruptcy Act, the English system can be regarded as fundamental to the financial situation of the country.

In the absence of suitable local investments, the banks' reserves of cash and money at call are kept in London, due to the fact that the Palestine Pound is based upon Sterling. In this way no local exchange risks are taken.

The commercial banks have a common policy of avoiding anything in the nature of long-term loans, the general run of accommodation being from three to six months. Rates of interest vary from 7 to 9 per cent for advances and loans, and rates on money deposited vary with the fluctuation of the English money market.

There is a tendency on the part of some of the smaller banks to offer unnecessarily high rates for money, in the hope of attracting funds for investment in loans and advances producing 10 to 12 per cent interest. All banks, however, large and small, have withstood the financial strain of the past year or two and have suffered little in the way of losing deposits. No failures have taken place, even among the comparatively large number of small institutions. There is a growing confidence in them on the part of the public, and the chief officers and directors of the banks in

⁴About 3½ cents at par.—H. V.

general are individuals who deservedly enjoy the confidence of the public, and who as a type can be considered good. They are all in close touch with their customers, and by their rectitude in the conduct of affairs and in their general habits of life, they have inspired confidence in their institutions.

Coöperation of banks—

In a general way the banks collaborate in matters of mutual interest, but much remains to be done if the banking structure of the country is to be placed upon a permanent basis and if the banks are to be able to respond to varying conditions in the country. The present short-term credit facilities may be considered adequate. The growing importance of the orange export trade has resulted in especially close collaboration among five banks—the four larger banks and the Central Bank of Coöperative Institutions in Palestine, Ltd.—with a view to influencing the organization of the industry for marketing, providing uniform and minimum rates of interest and rates of advances for cultivation expenses, checking unnecessary borrowing, insuring that the money is used for right purposes, and checking as far as possible the speculative element in the trade.

The increasingly close coöperation between the larger banks, and the general development of banking in Palestine, enable one to predict the emergence of a central institution which will function on the lines of the Bank of England or the Federal Reserve Bank of the United States (though naturally on a modest scale); and already the need for such an institution, capable of insuring reserves for the others, shows the early stage of the evolution of Barclays Bank into the unofficial Reserve Bank of the whole country.

On the whole, the short-term credit requirements of the urban population, and, so far as the Jews are concerned, the seasonal requirements of the rural population, are (with the two exceptions noted in the preceding paragraph) adequately met. But the needs of the Arab fellahin are almost entirely unprovided for, and the extension of the coöperative movement to this element of the population is regarded as a desirable, perhaps even as the indispensable, preliminary of their economic establishment.

Long-term loans—

Long-term credit requirements are provided for mainly by Jewish institutions. In the field of urban loans, the General Mortgage Bank (affiliated with the Anglo-Palestine Bank), the Palestine Mortgage & Credit Bank, Ltd. (a subsidiary wholly owned and controlled by the Palestine Economic Corporation, an American company), and the South African Palestine Binyan Company grant housing loans on improved urban property. The total investments of the last-mentioned banks in urban loans of this type aggregate approximately LP275,000. The Palestine Mortgage & Credit Bank, Ltd., also grants long-term loans to the smaller industrial enterprises.⁵

In rural districts, housing loans are granted by the Palestine Mortgage & Credit Bank, Ltd. Long-term agricultural loans are granted by the Palestine Corporation, Ltd. (London), which has invested considerable sums for citrus development, and by the Central Bank of Coöperative Institutions in Palestine, Ltd., for citrus and other agricultural purposes. The Palestine Jewish Colonization Association (Pica) and the Jewish Agency have

⁵ See article in *Palestine and Near East Economic Magazine*, Vol. VII, Nos. 2 and 3, Feb., 1932.—H. V.

also granted long-term loans for agricultural colonization in various parts of the country, especially in the Valley of Esdraelon and other parts of Upper and Lower Galilee.

While it is inherent in the nature of the work that the colonization loans of the two last-mentioned institutions are not granted on strictly business lines, the other banks mentioned above conduct their business in accordance with ordinary banking procedure and require proper security for their loans as a matter of course. The Palestine Economic Corporation, of the United States of America, has sought to combine, in the work of its subsidiaries, sound economic principles with a progressive social policy. In its urban as well as rural credits, the Palestine Economic Corporation favors the smaller borrower and the economically weaker element which otherwise could not find adequate credit facilities. It attempts to compensate for the smaller margin of safety which is inherent in loans of this type, for which collateral security alone can be provided, through strict application of proper administrative principles. In its rural loans, the corporation endeavors to improve the economic situation of the agricultural workers employed in the vicinity of existing colonies, with the ultimate objective of establishing them on a self-supporting basis.⁶

⁶ Thus, for example, in its housing loans it was necessary to educate Palestinian borrowers as to the advantages and economies of group building, and the advisability of construction on a strictly cash basis. In order to prevent the assumption of debts by agricultural workers in excess of their financial ability to repay, the loans to these workers have been granted in stages, beginning with small loans to the poorest economic strata of the agricultural population, up to the final stages of a small holding. The work of the Corporation has not been confined to credit activities, but it has participated as shareholder in a number of Palestinian projects which are of importance in the economic

The Corporation has been markedly successful with its policies, and the delinquencies in the loans granted by it are negligible.

In spite of the extensive character of the long-term credit facilities described above, it must be emphasized that the credit structure of the country will not be complete until that type of urban mortgage bank and mortgage bank for agricultural loans will have been established which will be in a position to find part of its funds in the open market through the sale of debentures. The experience gained during the last ten years in urban and rural mortgage loans in Palestine should encourage the formation of such institutions in the near future.

GOVERNMENT FINANCES⁷

Perhaps the best proof of the change that has been produced in Palestine lies in the state of Government finances, in considering which it is well to remember the derelict condition of the country at the end of the War. At the end of 1930 the Government had an accumulated surplus of LP626,111, after paying LP813,893 as its share of the old Ottoman public debt (Palestine is the only one of the Turkish Succession States which has met its obligations under this head), LP1,- development of the country, such as Palestine Potash, Ltd., which is extracting potash and other minerals from the Dead Sea; the Palestine Hotels, Ltd., which owns and operates the King David Hotel in Jerusalem; and the Bay-side Land Corporation, Ltd., which owns an important tract of land in the vicinity of Haifa Harbor now under construction. See 1931 report of the Palestine Economic Corporation.—H. V.

⁷ The Government revenue (excepting railways and grants-in-aid from His Majesty's Government) was LP2,110,986, or 10 per cent less than in 1930—LP2,348,260 (a record year). Expenditures were reduced from LP2,536,504 in 1930 to LP2,374,866 in 1931. In 1930 there were special expenditures in connection with grants to municipalities.—H. V.

000,000 to the British Government for railway and other assets taken over (similar assets were handed over to the Iraq Government free), LP280,598 for the Jaffa-Jerusalem Railway, and LP206,541 for the deficit of the military administration incurred during the early years after the British occupation. The total public debt of Palestine (out of which some of these payments were made) consists of LP4,475,000 5% Guaranteed Stock 1942/67, of which the principal, interest, and sinking-fund payments are secured upon the general revenues and assets of Palestine, and of which the principal and the interest are guaranteed by the British Treasury. Few governments in the world today can claim such a happy financial condition.

The municipalities, too, are carefully supervised in their finances. There was at first a tendency for some of them to be too sanguine in expenditure, but general Government control insures balanced budgets, and local finances can be considered soundly managed. Future expenditure on capital development works is to be looked for in such matters as drainage and the supply of water. Loans for such purposes necessitated by the large-scale building and by a growing population will be productive and self-liquidating. Such development loans are arranged through the Government bank, with either direct Government guarantee or Government control.

GROWING IMPORTANCE OF PALESTINE

Another sign of the growing impor-

tance of Palestine in the economy of the Near East is to be seen in the recurring exhibition and fair held in Tel-Aviv. Seven years ago a small school building sufficed to hold all the exhibits of Palestine produce. The fair recently held (April 1932) was officially participated in by nine governments and the merchants of some twenty other countries, and was visited by over a quarter of a million people.

As a field for investment Palestine has attractions, which are enhanced by its freedom from income tax. Money invested in citrus plantations and in urban property has obtained quite satisfactory return, and the country has so far been little affected by the world economic crisis. In fact, instances are numerous where foreign investors have lost all or nearly all of their fortunes in their own countries, but have retained intact and at enhanced values such investments as they have made in Palestine.

This summary of the present position in Palestine in certain of its economic aspects reveals that much has been accomplished during a decade of British rule by the forces and qualities that have been made free to enter. Obstacles and difficulties of all kinds have had to be faced and have been overcome, and doubtless obstacles and difficulties will still have to be faced and overcome. But the achievements of the recent past and the activity and the optimism to be seen in the present allow one to anticipate a long period of progress quite remarkable if one remembers the chaos that went before.

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The Economic Effects of Jewish Immigration in Palestine¹

By W. PREUSS

IMMIGRATION is undoubtedly the crucial problem in Palestine's political and economic future. From the Jewish point of view, it can be considered under three aspects:

(1) That of the desire of the Jewish people, established on historic, social, and economic foundations, to make Palestine its national center by means of the immigration, settlement, and productivization of large Jewish groups;

(2) That of the establishment of such economic and social conditions in Palestine as will permit the admission and settlement of such groups within a framework of legal security;

(3) That of the necessity to shape and direct this settlement so that it will be to the advantage of the Arab population of the country (or at least not to its harm) and sooner or later become a foundation for political agreement.

These theses of Jewish immigration policy contain a series of problems the solutions of which have not as yet been fully reached, but must somehow be found in the near future. In this article it is not proposed to discuss the first aspect mentioned above, which results from the inevitable desire of a people scattered, persecuted and martyred under unbearable conditions all over the world to fashion for itself an abode in the land of its historic origin. This indestructible wish underlies the entire problem in all its aspects.

EXTENT OF IMMIGRATION

What is the extent of the immigration under discussion, particularly dur-

ing the last ten years? To what degree has it succeeded in establishing itself firmly in the country? The following table gives the scope of Jewish immigration during the postwar years, the most important period of the movement:

TABLE I—JEWISH MIGRATION IN PALESTINE, 1919-1931²

Period	Immigration	Emigration	Surplus
1919-1923....	84,183	7,469	26,714
1924-1926....	62,133	11,553	50,580
1927-1931....	19,373	11,330	8,043
Total.....	115,689	30,352	85,337

Thus, between 1919 and 1931, 115,689 Jewish immigrants entered the country, and 85,337, about 75 per cent, remained there. It may also be assumed quite safely that during this period another few thousand unregistered immigrants entered the country. When the increase of the community by births (some 30,000 between 1919 and January 1, 1932) is taken into consideration, it becomes evident that during this period the Jewish population has grown by about 120,000. (According to *Statistical Abstracts*, the number of excess births over deaths of the Jewish population between July 1919 and July 1929 amounted to 23,737, the additional

² The figures for 1919-1928 are taken from *Ten Years of Jewish Immigration into Palestine: Statistical Abstracts*, issued by the Keren Hayesod, 1929. Those for 1929-1931 are the figures issued by the Chief Immigration Officer of the Palestine Government. Up to 1928 the figures are those of the Zionist Executive.

¹ Translated by L. Lask.

births to January 1, 1932 being 9,500; this is a birth rate of 21-24 per thousand of population.)

These estimates, therefore, indicate that the number of Jews at the beginning of 1932 amounted to about 177,000 as compared to 57,000 estimated by the *Statistical Abstracts* to have been here in July 1919. This figure is close enough to that of the November 1931 census, according to which the number of Jews at that particular time was 174,610. Consideration, however, should also be given to the fact that about 7,000 Jews have not been registered by the Government.

What effect has this increase of the Jewish population, 75 per cent of which is the result of immigration, had on Jewish settlement activities?

INCREASED PRODUCTIVITY

The Jewish element in the country's population has been increased by the process of immigration not only numerically but also relatively. In 1919 the Jews composed 9.5 per cent; in 1922, 12.8 per cent; in 1932, 17.5 per cent of the inhabitants. Thus, though the work of settlement and colonization has scarcely more than commenced, the percentage of Jews in the total population is higher in Palestine than anywhere else in the world. For example, in the United States of America, Poland, and Russia, the Jews comprise respectively 3.4 per cent, 10.5 per cent and 1.8 per cent of the population. Further, in comparison to Jewish immigration into other countries, that into Palestine also stands high. In 1924-1926 Palestine received 62,133 Jews, the United States of America 69,179, Argentina 22,253, and Canada 12,855. During the last few years, in any case, migration in general has diminished, that to the United States no less than that to Palestine.

The absolute and relative increase

in the Jewish population could have been attained only by the establishment of new foundations for economic productivity, particularly in the chief branches, agriculture and industry, which are so important to a developing country. All who know the country are of the opinion that in the short period of ten years the Jews have succeeded not only in revolutionizing agriculture by the introduction of modern methods, but also in establishing the most essential branches of industry where no industry, except for unimportant beginnings, formerly existed. In this process, a re-emigration of 25 per cent of immigrants plays no decisive part; for it could be foreseen that not every immigrant would be able to face the extreme difficulties to be found in colonizing any new country. In fact, it can be pointed out for purposes of comparison that in other countries the corresponding figures during various periods were as follows:

TABLE II

Period	Percentage of Immigrants Emigrated	Country
Between 1906 and 1914.....	34.9	United States
Between 1915 and 1927.....	36	United States
Before the War...	43	Argentina
Between 1920 and 1924.....	36	Argentina
Before the War...	56.5	Australia
Between 1920 and 1924.....	68.2	Australia

It is also of interest to note that only in the years 1926-1927 was the emigration at all unusual or considerable, being 12,436 out of the total of 30,352 for the entire thirteen years shown in Table I. This increase was the immediate result of the economic crisis in Poland during 1926, which prevented

the bringing of the requisite capital for the settling of this middle-class immigration at the time required. As a result, the immigrants for the greater part did not invest their own limited capital in the basic fields of production, which are agriculture and industry, but in fields that seemed to promise direct and quick returns, such as building, retail business, and so forth. The possibilities of such investment being speedily exhausted, a crisis that began in the building market led to a comparatively large re-emigration in the years 1926-1927. This, however, was in no way due to the exceptionally large immigration of 1924-1925, but to the special conditions which prevented a

production, these being agriculture, the heavy industries, and the building trade. It is secondly an immigration of workers. The immigration of 1924-1925 was of different composition, however, being middle-class, and little concerned with restratification and productivization. It was therefore far more difficult for those immigrants to establish themselves in the country, which needed only a small number of the middle class to act as merchants, white-collar class, and so forth.

The following table gives an analysis of the composition of the immigrants during the last ten years according to categories (official Government figures):

TABLE III

	1922-23	1924-25	1926-28	1929-31
A. Immigrants with means (including dependents) .	2,289	17,079	2,985	1,738
B. Dependents of Palestinian residents	5,217	7,911	3,166	2,632
C. Workers	4,140	13,904	7,698	6,749
D. Dependents of Workers (C)	3,558	7,600	2,720	2,744
E. Miscellaneous	261	167	....	705

country crying for the union of labor and productive capital from adequately supporting a large number of immigrants. The time was not yet ripe for a middle-class immigration dependent on its own limited means.

CHARACTER OF JEWISH IMMIGRATION

The human composition of the immigration into Palestine must also be considered, for incidentally, it provides a revealing glimpse of the character of this Jewish migration, which differs basically from that of the Jews to America. It is first and foremost an immigration of productively active people who, taking into account the conditions of the country and their own social and national aims, are primarily concerned in establishing themselves firmly in the basic fields of

The above table shows:

(1) The very large percentage of "immigrants with means" (i.e., those having at least £500, or, in the case of artisans, at least £250) in the years 1924-1925 as compared with other years.

(2) The predominance of the labor immigration on the basis of certificates. Fifty-two per cent of the entire immigration was composed of workers and their dependents. When one considers in addition that under Category B there were many dependents of workers already settled in the country, it becomes evident that the proportion of workers among the immigrants must be at the very least 60 per cent.

(3) An immigration of any such nature was of great importance in so far as the productivization of the Jewish

people is concerned. Therein lies one of the most important effects of this immigration on the Jewish people itself, for it indicates a change of direction and the reestablishment of the Jewish masses on a basis of direct productive labor rather than middle-man business.

Of 176,000 Jews, 47,000, or 26.5 per cent, live in agricultural settlements and colonies. Such a percentage is to be found nowhere else in the world. In Russia the percentage of Jews on the land is no more than 5.8 per cent. Of the urban population, 35,000 to 40,000, or 28 per cent, live from industry and handicrafts. Taken all in all, about 55 per cent of the Jewish inhabitants subsist on their activity in the basically productive economic branches.

OCCUPATIONAL DISTRIBUTION

The social restratification of the Jewish people in Palestine is illustrated exceptionally clearly by the following table, which gives the occupational distribution of Jewish worker immigrants into Palestine in comparison with those of both Jewish and non-Jewish workers in Poland, where the Jews are most densely settled.

economic structure of the Polish non-Jewish population) as against that of the Jewish inhabitants of the Diaspora. But even if only the occupational distribution in industry and handicrafts were considered, it would still serve to demonstrate quite clearly this process of transition to the basic stages of production. In Poland, Rumania, and the Ukraine, between 45 per cent and 66 per cent of Jewish artisans and industrial workers derive their subsistence from purely Jewish secondary industries, such as tailoring and shoemaking, and from industries in which the labor conditions are bad, such as the tobacco trade. In Palestine only 20 per cent of the industrial workers and artisans are in kindred work and 56 per cent (12.6 per cent of Jewish workers in Poland) are found in the basic industries, such as metal, wood, building, stonecutting, chemicals, and so forth. Thus, the proportion is almost reversed. In Poland, 2.9 per cent of Jewish workers are employed in the building trades, 5.9 per cent in the metal industries, and 0.6 per cent in the stone industry, as against 43.6 per cent in the clothing industries. In Palestine, 30 per cent, 17.3 per cent, and 4.7 per cent are em-

TABLE IV

Occupational Distribution	Jews Palestine (Per cent)	Jews Poland (Per cent)	Non-Jews Poland (Per cent)
Agriculture.....	31.6	4.3	49.6
Industry and handicrafts.....	22.5	{ 46.5	{ 20.5
Building and public works.....	9.6		
Transportation.....	5.5	2.0	5.5
Clerks, shop assistants, etc.....	23.3	29.1	14.2
Domestic service.....	6.5	18.0	7.3
Miscellaneous.....	1.0	0.1	2.9

The above table illustrates the transition to agriculture and to a normal social structure, of the Jewish inhabitants of Palestine (compare the

employed in the first three, and 8.2 per cent are employed in the tailoring trades.

A comparison of the occupational

distribution of the Jewish immigrants in America and Palestine respectively will confirm the significance of this process. In America the category "Miscellaneous" includes 37-42 per cent, and in Palestine 46 per cent, of the entire immigration. This category is subdivided as follows:

The establishment of intensive agriculture demanded an investment of £8,000,000 of which half went to the purchase of land. Thus, waste, largely unbuilt land, and to a smaller extent land on which buildings were few and far between, have been transformed into economically productive regions.

TABLE V

	Palestine (1920-28)	America (1915-28)
	Percentage of Jewish Immigrants Classified under "Miscellaneous"	
Farmers and farm workers	49	5
Laborers	30	24
Domestic servants	..	42
Traders	20	24
Miscellaneous	1	5

DEVELOPMENT OF THE COUNTRY

This productivization of the Jewish population in Palestine is an occurrence of extraordinary importance for the national, social, and cultural renaissance of the Jewish people. But the Jewish immigrants have also been of inestimable importance for the *development of Palestine itself* and for its economic and social progress. According to the Memorandum of the "Vaad Leumi" to the Mandates Commission of the League of Nations in June 1930, the Jews invested about £45,000,000 between 1920 and 1929, half of it being in constructive works, while the other half was expended on the purchase of provisions and payment of rents to Arabs, taxes to the Government, purchase of foreign goods, and so forth. Building activity in the towns accounted for £5,000,000, while £4,000,000 was invested in the establishment of a modern industry which was nonexistent before the War but which now employs 11,349 people in 2,688 establishments.

A hundred and seven colonies in which 45,000 people live have been established over an area of 1,200,000 dunams (300,000 acres). Marshes have been drained. In every field, in cities and other plantations, in dairy and vegetable produce, entirely new and scientific methods are employed which have revolutionized the agriculture of the country and which the Arabs have with some hesitation begun to use in many places. There can be no question whatsoever that the general economic capacity and wealth of the country have been fabulously increased by these investments, which would never have been made without Jewish immigration.

The growth of new and large urban settlements has provided a market for the agricultural produce of both Jews and Arabs. Tel-Aviv, for example, had about 2,000 inhabitants at the end of the War, and now has about 46,000. The situation is similar in Jerusalem, Haifa, and Tiberias, all of which have grown enormously, while other towns which were untouched by Jewish im-

migration have on the whole remained stagnant.

The development of industry has permitted the Government to increase its income from taxation, and, through public works and the development of health and educational systems, largely for the benefit of the Arab population, to use this income for the development of the country, the payment of its debts and the development of its own strategic and military aims. The direct relationship between Jewish immigration and the income from taxation becomes clear from the following figures:

TABLE VI

Year	Jewish Immigration	Government Income
1922.....	8,685 ^a	1922/23 £1,809,831
1925.....	34,386	1924/25 2,604,446
1927.....	3,034	2,280,000
1929.....	5,249	2,705,000

^a Figures of the Zionist Organization.

Though the Jews do not yet constitute 20 per cent of the population, they pay 45 per cent³ of the Government taxes. The Jews pay £7.24 per person per year in taxes, while the Arabs pay £1.83. Despite this, the Jews receive only £19,501⁴ out of an educational budget of £137,135, whereas the Arabs receive £117,614. That is, the former receive only 14.2 per cent, despite the fact that they provide 45 per cent of the Governmental income. No more than 5 per cent of the users of Government hospitals are Jews. In 1929, only 7 per cent of the Government budget for

health and hygiene was expended for the Jews, while 93 per cent was spent on the Arabs. This discrepancy is found in all other Governmental departments, particularly in the public works, in which only 3 per cent of the employees in 1929 were Jewish despite the fact that the Jews produce 20 to 25 per cent of the agricultural, and 60 per cent of the industrial products of the country and pay 45 per cent of the taxes.

EFFECT ON ARAB POPULATION

What, then, is the effect of Jewish immigration on the Arab inhabitants? This must be determined on the basis of general principles, before the Jewish immigration as a whole can be judged; for permanent economic harm suffered by the Arabs would certainly not be compatible with Jewish immigration.

Arab emigration—

Enduring harm to Arab economic interests would lead to an increase of emigration equal at least to that from other Arab countries into which there is no influx of Jews. What is the actual situation?

According to Government Census of November 1931, the fellahin⁵ of the country had increased between 1922 and 1931 (a period of nine years) by about 43 per cent—from about 488,000 to about 700,000. Whereas 10,254 Arabs emigrated between 1922 and 1928, 5,010 immigrated; that is, the surplus of Arab emigrants over immigrants amounted to about 600 a year. This should be compared with 1913, in which year, according to the American Consul, 2,000 Arabs left from the Jerusalem region alone for America. For the entire country Arab immigration is now two fifths of what it was before the War.

³The Government Treasury officials dispute this figure but agree that it is not less than 35 per cent.—H. V.

⁴There is a report that the High Commissioner has recommended an increase in the subsidy to Jewish education for next year.—H. V.

⁵The numbers of the Bedouin tribes were only estimated in 1922, and hence the basis of comparison with later years is extremely uncertain.

A comparison of Arab emigration from Palestine and Syria after the War gives the following picture:

TABLE VII

	Palestine	Syria
1920-1924.....	6,480	37,465
1925-1926.....	4,013	26,956
1927-1928.....	2,939	23,678

Between 1920 and 1928, therefore, 13,432 Arabs left Palestine and 88,099 left Syria. The population of Syria is 3.4 times as great as that of Palestine, while the emigration is 6.6 times as large from the former.

Standard of living—

The rise in wages among the Arab population as compared with the pre-war period will serve as an index for computing the improvement in the standard of living. At the commencement of Jewish colonization, an Arab agricultural laborer in the neighborhood of Jewish settlements received about a shilling a day (25 cents at par); in the same region he now receives between two and two and a half shillings for eight hours' work. Using the index figures for calculation, to make allowance for the increased cost of living, it appears that the real wage has increased by 50 to 55 per cent. Near Hebron, which is far from the influence of Jewish immigration, an Arab agricultural laborer still receives less than a shilling a day; near Jaffa he receives one to one and a half shillings on Arab farms, whereas in the Jewish colonies he receives from two to two and a half shillings per diem.

Here one can perceive the direct influence of the higher standard of living of the Jews, which has appreciably raised that of their neighbors. He who has visited Arab villages in the neighborhood of Jewish colonies is

astounded at the cultural transformation which has come about in the space of a few years. Only where the effects of Jewish immigration have not reached, has everything remained as it was. There are many Arabs who have been enabled, by the sale of part of their land, to secure the means necessary so to intensify the cultivation of the remaining area that the smaller tract gives better returns than the large one formerly gave. Jewish towns and colonies provide the fellah with an extensive field for the disposal of his products. Thousands of Arab workmen are directly or indirectly employed in Jewish enterprises, and further thousands in Governmental works made possible by the Jews' share in taxation.

The increase in purchasing power per Arab can be estimated by the fact that before the War the amount of imports was less than £3 a head; it is now estimated at £4.5, as against Egypt's £3.4 and Syria's £3.9 (£2.3 and £2.6 respectively before the War). These figures show quite clearly the influence of Jewish immigration on the purchasing power of the Arab inhabitants. If there is at present a temporary period of unemployment among the Arabs—the actual size of which is difficult to estimate, as the official figures are undoubtedly and recognizably exaggerated—it can be attributed to the drop in prices on the world market and the general world crisis, and not to Jewish immigration.

CONCLUSION

Taking all the above factors together, and without considering the very slight density of population and the prospects for and potentialities of a future Jewish immigration, the following conclusions can be drawn:

(1) Postwar Jewish immigration into Palestine, despite all external po-

litical and other checks, can well bear comparison with that of Jews into other countries. It has created a self-supporting and steadily progressing Jewish working population within a group of industries and professions which represent a revolution in Jewish social life. This Jewry is today the nucleus of what, under suitable political conditions and with the support of the Government, the League of Nations, and so forth, can become a steadily growing, culturally and nationally independent population on its own soil.

(2) The Jewish immigration has enabled the Government to further the development of the country as a whole, and notably increase its income, without Jewish colonization having as yet been furthered by that Government. In fact it would be quite correct to say

that the Jewish immigrants have established themselves firmly in the country, not with the assistance of, but despite, the Government of Palestine.

(3) Jewish immigration is to the advantage of the Arab inhabitants in all branches of economic development, and, by means of the capital brought into the country, serves to establish a higher standard of living while providing a model which, when copied, has led to the considerable progress of the country. This development cannot be observed in other Arab countries, such as Trans-Jordan, Iraq, and others, and is a direct consequence of Jewish immigration, which is therefore a factor of economic and social progress that should, in the interest of all progressive elements throughout the entire world, be encouraged.

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The Concessions for the Mosul-Haifa Pipe Line

By ALFRED BONNÉ

THE antecedents of the Pipe-line Concession are inseparable from the actual concession for the exploitation of oil and the struggle of the powers for control of the oil-bearing regions. The possession of oil resources, lacking which all traffic by land, sea, and air is nowadays unthinkable, allows the owners control in these spheres only when access to such resources is also in their hands. Without the assurance of unhindered transport, the possession of oil wells is useless, particularly in time of war, to such countries as depend upon sources of supply from abroad.

I. BEFORE THE CONCESSIONS

The struggle of the Great Powers for the sources of oil supply, which played so important a part in international affairs during the ten or fifteen years prior to the World War, was therefore no less concerned with transport facilities than with the actual exploitation of the wells; this concern showed itself both in the form of spheres of influence for pipe-line and railroad concessions and in the shape of actual occupation of the areas necessary for uninterrupted transit and transport.

With the growing recognition of the world-wide economic and political importance of oil control, the efforts of the powers to gain possession of this commodity grew still more intensive and concentrated in all regions of oil supply. When, before the War, well-founded presumptions of the existence of large petroleum sources in Mesopotamia were expressed by the predecessor of the Anglo-Persian Petroleum Company, a series of interested groups

immediately appeared and proposed the granting of concessions. Germany, represented as early as 1903 by the Deutsche Bank-Baghdad Railway group (spoken of in their charter as *Société Imperiale Ottomane du Chemin de Fer de Bagdad*), obtained an option on the exploitation of all oil-bearing regions within a distance of twenty kilometers on either side the Baghdad Railway; but this option was never used. Another group, the D'Arcy Exploration Company, who held the oil concession for Persia later acquired by the Anglo-Persian Petroleum Company, applied soon after for the Mosul Oil Concession as well, but without achieving any immediate result.

Shortly before the War a British-German syndicate, consisting of the Deutsche Bank, the Shell Group, and the National Bank of Turkey, came to an understanding with regard to the allocation of shares in the company about to be formed for the purpose of taking over and exploiting the Mesopotamian Concession. This new organization was the Turkish Petroleum Company, in which the allocation of shares was as follows: Deutsche Bank, 25 per cent; National Bank of Turkey (British) 50 per cent; Anglo-Saxon Petroleum Company (Shell Group), 25 per cent.

BRITISH CONTROL OF MESOPOTAMIAN OIL

With the foresight it has so frequently shown, the British Government, which had been observing carefully the developments in the Meso-

potamian project, now decided to take a hand and bring the new company under its preponderating influence by means of the Anglo-Persian Company.¹ The prospects for exercising British control over the production and transport of Mesopotamian oil were very favorable; for it could be foreseen that following the collapse of Turkey, which must occur within none-too-long a space of time, the important oil fields of Mesopotamia would have to come under British influence. "We must . . . draw our oil supply, so far as possible, from sources under British control or British influence, and along those sea and ocean routes which the Navy can most easily and most surely protect."² Responsible British statesmen could hardly express themselves more openly.

The intervention of the British Government led to the reconstitution of the Turkish Petroleum Company in the Spring of 1914. The Anglo-Persian Company, which is controlled by the British Government, received the share of the National Bank of Turkey, while each of the other two groups remained with 25 per cent of the shares, as before. After this reconstitution and increase of capital, the Turkish Petroleum Company made use of the claim to the concession, brought in by the German group, which had been granted to the Baghdad Railway in 1903. On June 28, 1914, the same day that the unhallowed murder at Sarajevo provided the excuse for the World War, the Turkish Petroleum Company was granted at Constantinople an assurance regarding its exploitation of the Mesopotamia oil fields. This document was to prove

of decisive importance in the later developments and conflicts that surrounded the establishment of possession of these fields.³

As a result of the World War, the struggle centering around Iraq oil and the control of its transport routes ended in Great Britain's favor. During the actual period of hostilities, however, British interest in the Mosul fields seemed to have retreated into the background. The Sykes-Picot Agreement of May 1916, which regulated the partition of the lands conquered in the Middle East between Great Britain and France, allowed France the entire Mosul district as far south as some 60 kilometers north of Baghdad. Mosul, together with the Damascus and Aleppo Vilayets, was to come under French control as an Arab Protectorate, while Great Britain was given Haifa, Acre, and Mesopotamia south of Baghdad. To be sure, England had not renounced the concession it had only just received, but demanded French recognition of its rights in so far as they had been definitively settled before the War.

PETROLEUM AGREEMENT OF SAN REMO

But the whole question of the possession of the Mosul district was again brought to the fore soon after the War, despite the Sykes-Picot Agreement. At the Peace Conference of 1919 a serious conflict took place between Great Britain and France regarding the matter. This was finally settled by Mosul again becoming part of the British sphere of influence, while France received the share of oil formerly allotted to Germany on the

¹ Earle, Edward Mead, "The Turkish Petroleum Company—A Study in Oleaginous Diplomacy," *Political Science Quarterly*, 1924, p. 269.

² From Winston Churchill's Speech of July 17, 1913, published in Cmd. 7419, 1914.

³ The Turks, and later the Americans as well, denied that this understanding dealt with a concession. The Statement of the Turkish Government concerned the promise of a concession rather than the actual concession itself. *Vide* E. M. Earle, *loc. cit.*

strength of the latter's holding 25 per cent of the shares. Many further slight points of difference appeared, but the whole matter was finally settled by the Petroleum Agreement of San Remo.⁴ According to this Agreement the French Government or its empowered representatives were to receive 25 per cent of the crude oil production of the fields if the British Government itself undertook to exploit them. Should the exploitation of the fields be undertaken by a private company, the French Government was entitled to 25 per cent of the shares in the company, which was to remain under lasting British control (Par. 7). Great Britain could allow France this share without reducing its own holding of 50 per cent, as it merely meant that France took over the German shares in the Turkish Petroleum Company, which had been expropriated in 1918.

With regard to the transportation of the oil to the Mediterranean Sea, the agreement made provision for the laying of two separate pipe lines, together with the requisite accompanying railways; to this the French Government agreed. France likewise declared itself prepared to allow the transport of oil from Mesopotamia or Persia through French territory to one or more harbors of the Mediterranean without any tolls or customs duties.⁵

This agreement gave Great Britain and France a satisfactory arrangement for the tapping and transport of the oil, but a whole series of difficulties and hindrances now played their part in delaying the carrying out of the project. These difficulties came from various quarters.

⁴Text in Parliamentary Papers, Cmd. 675, 1920.

⁵It is worthy of note that in this 1920 agreement the possibility of a pipe line through Trans-Jordan and Palestine, the regions under British control, was not taken for granted.

OPPOSITION FROM VARIOUS SOURCES

After the territorial conflict with Turkey and the final inclusion of the Mosul region and part of Iraq, considerable opposition arose within the young state of Iraq itself to the oil groups, on account of their being controlled by British policy.⁶ The monopolistic attitude of the Turkish Petroleum Company aroused fears that the conditions governing the granting and the carrying out of the concession would prove unfavorable for Iraq under British pressure, and, as in other petroleum-bearing regions under imperialistic sway, would lead to lasting political control and economic exploitation of the country. This fear caused the negotiations of the Company with the Iraq Government to be exceptionally prolonged; they were completed only in 1925, though the proposals of the Turkish Petroleum Company regarding details of the concession were presented in 1923. One of Iraq's chief demands was for its participation in the capital of the Company, since such participation had been provided for in the San Remo Agreement. This demand was finally dropped, to be replaced by royalties of an annual grant of £400,000 and a tax per ton produced to be paid to the Government.

No less serious was the opposition that came from quite another quarter, which, to begin with, had not participated in the negotiations in any way; this was the United States of America. This opposition was directed against the political and juridic character of the Mesopotamian oil interests as they were shown after the War. To begin with, America questioned the very

⁶Official British reports contain short references to this opposition, as Colonial No. 58, p. 218. Even since the signing of the Convention, the Opposition and Nationalist groups have not ceased their press attacks.

validity of the concession, arguing that the Turkish Government had granted nothing that would be recognized in law as a concession, but only a vague promise to grant a concession at some future date. The second objection of the United States based itself upon the principle of the Open Door, which was infringed by Great Britain's private negotiations in the matter under discussion; Mesopotamia being a mandated territory, all states had equal economic rights there. Particularly bitter was the dissatisfaction with the San Remo Agreement, according to which every oil concern that wished to tap the Mesopotamian oil fields had to be under lasting British control.⁷

This is not the place to go into the details of the complicated negotiations and discussions which led the United States to appeal to the League of Nations. Here again the conflict ended in compromise; the American interests vested in the Standard Oil Company were, like the French, allowed 25 per cent of the shares in the Turkish Petroleum Company, which were put at their disposal by the Anglo-Persian Oil Company. The 5 per cent commission which had been promised to the Armenian, C. S. Gulbenkian, at the establishment of the Company, for his valuable services as agent, was shared equally by all the partners; so that the present holdings of the various groups in the Iraq Petroleum Company (which has replaced the Turkish Petroleum Company) are as follows: Standard Oil Company, Anglo-Persian Oil Company, Royal Dutch Shell Concern, and Compagnie Française des Pétroles, 23.75 per cent each; Participation and Investment Company (Gulbenkian), 5 per cent.

⁷ The official documents are included in *The Publications of the Department of State, Near Eastern Series, No. 1: Mandate for Palestine, Washington, 1927 repr. 1931.*

II. THE CONCESSIONS⁸

The following are the agreements which control the carrying out of the concession by the Iraq Petroleum Com-

⁸ Since the writing of these lines, a new concession agreement has, on April 20, 1932, been reached between representatives of the Iraq Government and the British Oil Development Company. For some years, this company has in vain competed with the Iraq Petroleum Company for the exploitation of the Mosul fields. After the concession for the exploitation of the district east of the Tigris had definitely been assigned to the Iraq Petroleum Company, an understanding was reached between these two interest groups. The British Oil Development Company, in addition to the British group led by Sir Edward Mountaine, is composed of French, Italian, German, and Swiss interests. The agreement of April 20 is considerably more advantageous for the Iraq state than the one it entered into with the Iraq Petroleum Company, since the decisions of the San Remo Agreement regarding prewar rights, which the I. P. C. insisted upon, could not come into question. The B. O. D. C. has a right to exploit all lands north of the thirty-third parallel and west of the Tigris. The selection of the oil fields must be made within seven years, the concession itself being for a period of seventy-five years. The B. O. D. C. is in duty bound to pay the Iraq Government the annual sum of £100,000, which is increased by £25,000 a year until the maximum sum of £200,000 has been reached. With the beginning of production, a sum of 4 shillings per ton of oil produced must be paid.

The two most important clauses of the agreement with the B. O. D. C. determine the transfer to the Iraq Government of a part of the produced oil equal to 20 per cent of the total of oil produced by the company, and makes secure the domination of the company by British interests. Article 32 states:

"The company shall be and remain a British company registered in Great Britain and having its principal place of business within His Britannic Majesty's Dominions, and the Chairman shall at all times be a British subject. . . . The Iraq Government shall have the right to appoint a director to the board of the company; and the Iraqi director . . . shall enjoy the same rights and privileges and receive the same emoluments from the company as the other directors."

For Palestine, the interesting question remains whether or not the British Oil Development Company will use the Haifa pipe line of the Iraq Petroleum Company. The B. O. D. C. has

pany and the transport and transit of the oil from its place of origin to the Mediterranean Sea:

(1) Agreement between the Government of Iraq and the Turkish Petroleum Company, dated March 14, 1925;⁹

(2) Agreement between the Government of Iraq and the Iraq Petroleum Company (formerly the Turkish Petroleum Company), dated March 24, 1931, revising the Agreement of March 14, 1925;¹⁰

(3) Supplementary Agreement of March 24, 1931, between the Government of Iraq and the Iraq Petroleum Company;¹¹

(4) Agreement between the High Commissioner for Palestine (on behalf of the Palestine Government) and the Iraq Petroleum Company, dated January 5, 1931;¹²

(5) Agreement between the Government of Lebanon and the Government of Syria on the one hand, and the Iraq Petroleum Company on the other hand, dated March 25, 1931 (two verbally identical documents).¹³

The agreements of March 14, 1925 and March 24, 1931 contain the decisive provisions for the exploitation of the oil and its transport from Iraq by means of a pipe line. The second agreement replaces a series of the provisos and articles of the first by new conditions, and taken together, both documents constitute a complete agree-

ment. An analysis of the entire document is not necessary in this article; it will suffice to deal shortly with such points as have a bearing on Palestine.

LOCATION OF PIPE LINE

By Article VI of the agreement of March 24, 1931, the Iraq Petroleum Company undertakes to construct a pipe line with a capacity of not less than three million tons of oil a year. The commencement of this pipe line must be in a region which belongs to the Vilayets of Baghdad and Mosul, and which is bounded on the west by the Tigris, on the north by the Mesopotamian-Turkish frontier, and on the east by the Persian border. This region excludes the zone reserved by a separate agreement of August 30, 1925 for exploitation by the Anglo Persian Oil Company on the part of the Government of Iraq.

The beginning of the pipe line may tentatively be considered to be round about Kirkuk, in the neighborhood of which the very rich wells of Baba Gurgur have been found. The pipe line will then follow a southwesterly course to the Euphrates, which it will cross between Haditha and Hit. At the Euphrates the line will divide, one section running by way of Rutbs to the Bay of Acre, while the other section will lead to the Syrian port of Tripoli. Very important is the proviso that until a total quantity of four million tons a year via Haifa is reached, at least 50 per cent of the entire capacity of the whole pipe-line system must pass through the Haifa Harbor. December 31, 1935 is fixed as the terminus *ad quem* for the establishment of the pipe line.

The Company may transport oil for other companies through its pipe lines at its own discretion, provided that in any case the quantity of oil extracted

undertaken the duty to transport at least one million tons of oil a year, and it has been suggested that it might be advantageous for it to conduct its own pipe line to the Mediterranean coast. Such a line would only have to be about half the length of that of the Iraq Petroleum Company.

⁹ Printed in Colonial No. 58 (1931) p. 303 ff.

¹⁰ *Ibid.*, p. 316 ff.

¹¹ *Ibid.*, p. 323 ff.

¹² Official Gazette of the Government of Palestine, No. 276, v. 1, 2, 1931, pp. 75-85.

¹³ Le Commerce du Levant, Nos. 88-91.



MAP SHOWING PROPOSED PIPE LINES

Reproduced from the July 30, 1932 issue of *Petroleum Times*, London

from the above-mentioned region and transported through the pipe lines, is not less than three million tons a year.¹⁴

With regard to its effect on Palestine, the most important agreement is that of January 5, 1931, which should be considered more closely.

III. REGULATION OF TRANSIT THROUGH PALESTINE¹⁵

The convention regulating the transit of mineral oils of the Iraq Petroleum Company through the territory of Palestine was signed January 5, 1931 by the High Commissioner for Palestine on the one part and Mr. Skliros for the Iraq Petroleum Company on the other. In verbal content, the convention is almost identical with that between Mr. Skliros and the Government of the Republics of Syria and the Lebanon signed on March 25, 1931,

¹⁴ Article 6 of the Supplementary Agreement of March 24, 1931.

¹⁵ See Official Gazette of the Government of Palestine, No. 276, 1, 2, 1931, pp. 75-85.

which regulates the transit of mineral oil through those territories. The following analysis of the main provisos of the Convention between the High Commissioner and the Company therefore also holds good in general for the kindred one signed by the Government of Syria and the Lebanon.

General rights of the company—

In accordance with Article 1 of the convention, the Company receives the right (referred to in the text as the "concession") to construct, maintain, and operate one or more pipe lines and all the works ancillary thereto, and do all things necessary for the undertaking, under the following conditions:

The duration of the concession is to be for seventy years from the date of its signature. The pipe line is to end in Acre Bay. Provided that should it be found impracticable to terminate in that locality, it may terminate elsewhere on the coast of Palestine.

The Company has the right to aban-

don to the High Commissioner all rights accruing to it under the convention upon giving three months' notice. Details of the transfer, such as the valuation of property of every sort, shall be decided by a special evaluating body (Art. 2). At the end of the period of concession, all the rights of the Company under the agreement, together with its immovable property, in Palestine, pass into the hands of the Government, provided that no extension of the concession has been arranged.

Economic and financial rights—

The convention allows the Iraq Petroleum Company far-reaching economic and financial privileges, such as no other commercial undertaking in Palestine has hitherto received—not even the two chief exploitation companies of the country, the Palestine Electric Corporation and the Palestine Potash Company, the economic utility of which for the common weal is unquestioned. Article IV states:

No import tax, transit tax, export tax or other tax, or fiscal charge of any sort shall be levied on petroleum, naphtha, ozokerite, natural gases, whether in a crude state or any form of derivatives thereof, whether intended for consignment in transit or utilized for the industrial operations of the undertaking.

An exception from the general exemption from import duties was made only for those products of the Company that are put on the local market of Palestine for sale or for purposes other than those given above.

Further, the Company has the still more far-reaching right of bringing in duty free, all stores, equipment, materials, and so forth that are required for their undertakings. This includes all equipment for offices, houses, hospitals, or other buildings which will be the property of the Company and used

for its purposes. Goods for the personal use of the Company's employees are liable to the import duties in force (Art. V).

Whereas Article IV specifies exemption from taxes for only the property of the Company in transit (i.e., oil, and so forth), Article V includes all materials directly or indirectly required for the development and the needs of the undertaking in Palestine, as being duty free. Here, as well, the scope of this exemption is astounding, and is far wider than has yet been allowed any other commercial company in the country.

Article VII gives the Company the right to construct one or more private ports in the region intended for the pipe-line terminal, and to levy port, harbor, crantage, or other dues. Of special importance is the provision that the right of entry of ships to such port or ports shall be at the discretion of the Company.

The Palestine Railways stand at the disposal of the Company at a special schedule of rates, to be agreed between the Company and the High Commissioner, during the period of laying the pipe line or lines. These special rates will be established in so far as such a reduction is consistent with existing international obligations (Art. VIII).

The farthest-reaching concession of all is the freeing of the Company from every kind of land tax, income tax, or any other toll or liability. It is intended to levy taxes only on that portion of the Company's products which is destined for local consumption. Against this should be set the site owned by the Company, which, together with the income and the other business of the company, is entirely tax free (Art. VII).

These privileges constitute something entirely new for Palestine. No private enterprise or company has

hitherto been so entirely released from the burden of taxation. The concession is all the more impressive since it offers the Company, on its establishment in Palestine, facilities of considerable value and no small profit-bearing capacity. The proviso that the exemption from taxation shall not apply to such dividends of the Company as are paid in Palestine, need, under the circumstances, hardly be taken into account.

Article XVII is also of considerable importance; according to it the High Commissioner will, for the duration of the convention, lease state lands to the Company at a nominal rental. Lands in private hands can, in the absence of an agreement between the owner and the Company, be expropriated by the High Commissioner.

Technical rights—

A concession for the construction of so large an undertaking as is represented by the laying of a pipe line will naturally safeguard the securing of numerous rights of a technical nature to the executing organization. But here the Company seems once again to have received exceptional rights in a considerable number of cases, particularly in so far as concerns such means of communication as are usually retained in the hands of the state. Thus, the Company has the right to construct and maintain its own telegraph, telephone, and radio installations, with the reservation that such installations shall be used exclusively for the purposes of the undertaking and must be supervised by the Government (Art. XIII). The Company is likewise allowed to use all forms of transport, whether by land, sea, or air, for the movement of its employees and materials (Art. XIV).

The Company also possesses the general right of using for the purpose

of its undertaking the necessary building materials (soil, clay, lime, gypsum, stone, and so forth), and of cutting timber in Government forests in accordance with the necessary regulations (Art. XV). Finally, the Company, in order to provide water for the purposes of the undertaking, has the right to sink wells and otherwise take such measures as are necessary. It may also take water from lakes and rivers, with the proviso that prior rights shall first be satisfied and the local inhabitants shall not be deprived of a reasonable supply of water for domestic, industrial, and agricultural purposes. Where special rights of users are already in existence, the water supply can be expropriated subject to the consent of the High Commissioner and the assurance of a supply for local needs (Art. XVI).

Apart from such unequivocal rights, the Palestine Government also undertakes to allow the Company general technical facilities in a series of cases for the carrying out of its aims. Thus there are certain authoritative facilities for the loading and unloading of ships and for the import and export of cargoes independent of time, place, or public holidays (Art. V, 4). The port authorities are to be instructed by the High Commissioner to afford the Company and its contractors every facility for the unloading and handling of cargo (Art. VI). The High Commissioner will likewise cause every facility to be given for the construction of a port by the Company, in which the appropriate Government departments will discharge the necessary customs, quarantine, immigration, and police supervision (Art. VII).

The undertaking to secure the normal protection for the Company's property and employees is also important, even if rather less so than in Syria and Iraq on account of the greater

security of the inhabited transit zone of Palestine. This undertaking holds both for the time of construction and afterwards (Art. XVIII).

Rights of the Government—

Considering the unusually inclusive concessions and powers granted the Company, the latter's reciprocal duties to the Government seem very modest. Naturally the Government reserves itself, at a number of points, the right of approving plans, private agreements, and special precautions and negotiations in connection with the carrying out of the concession (Arts. II, 2, 3, 4, 5; VI, XVII, XVIII). For instance, the Company undertakes to erect no works within the precincts of Holy Places or sites of antiquity (Art. III).

Of great importance is the pledge of the Company to employ local labor for the purpose of the undertaking; but even here the proviso is added that should the supply of suitable local labor prove insufficient, the High Commissioner will allow special facilities for the temporary admission of foreign labor. The Company must repatriate, when the purpose in view is accomplished, any persons so admitted who may not have obtained the consent of the High Commissioner to remain in Palestine (Art. XI). The formula "provided that if the supply of suitable local labor is insufficient" is elastic enough to allow the Company to decide to bring in cheap foreign labor at any time.

Article XXI finally pledges the Company, so soon as it shall have come to the necessary agreements with other countries and territories through which the pipe line is planned to pass, to complete the undertaking within eight years from that date. Should the Company fail to honor its pledge, the High Commissioner will have the power to cancel the convention.

IV. CRITICISM AND REVIEW

The final signature of the agreement regarding the exploitation of Mosul oil by the Iraq Petroleum Company and its transport to the Mediterranean marks the end of an important chapter of international mineral oil politics. The struggle for the petroleum treasures of Hither Asia, commenced before the War, has been won by the Anglo-Saxon powers. Quite apart from the effect of this victory on international politics, which only the future can show, an entire series of weighty consequences falls to the lot of the countries affected by the exploitation of the concessions. The convention governing the Transit Concession through Palestine has given foreign financial interests, and the powers represented by them, such authority and rights as have never hitherto been granted. The utilization of these powers is based on an agreement made without any consultation or participation of representatives of the local population. In Iraq and Lebanon the corresponding agreements were, after all, ratified by the representative organs of the inhabitants, and in Syria by a Government set up by the High Commissioner. This leaves all the more room for criticism, because the agreement between the Company and the Palestine Government disregards vital interests of the population in a number of instances.

Thus, the question of the labor employed in the Company's undertakings can scarcely be considered as satisfactorily settled. The Company always has the opportunity of utilizing the difference between local wages and standards of life and those of the neighboring countries by stating that the supply of suitable local labor is insufficient, and thus can import cheap labor with lower standards of living

from the surrounding countries. It was only fair to expect that in this convention, as in the law governing the construction of the Haifa Harbor, there should be a fair-wages clause.¹⁶

RIGHTS OF LOCAL POPULATION DISREGARDED

Another defect is that the Company is not obliged by the convention to provide compensation for damage caused others by the nature of the undertaking. In Palestine, the pipe line must pass through a flourishing agricultural region; it is therefore astonishing that the Government has not included a clause to protect the neighboring tenants, particularly as it has on many occasions affirmed that the protection of the fellahin and the smallholders, who stand to be most affected by the pipe line, is one of its basic economic and political tasks in Palestine.

One stipulation which can infringe considerably on the rights of neighbors is the right of the Company to take water from streams and lakes for its requirements. Provision is made for a "reasonable" supply of water for domestic, industrial, and agricultural purposes; but no details are given as to who shall decide what is reasonable, or on what grounds. The Government should have demanded, in view of the importance of water in agricultural colonization, that the utilization of water supply could be allowed only subject to the agreement of all other parties interested or their representatives. The Company would always be in a position to conduct water from regions with a surplus by its private system.

The indifference with which the

interests of the local population are treated is very regrettable. Even though the letter of the Mandate texts may not have been infringed in any one particular, the fact remains that the Power most concerned in the Iraq Petroleum Company has allowed that Company the very important right of transit through Palestine without demanding any adequate compensation in return, without taking the interests of the inhabitants sufficiently into consideration, and while limiting many of the prior rights of these inhabitants. It is not the granting of the concession that is criticized, but its form, dictated by the interests of the Mandatory power and the oil company. There is no room to doubt that any applicant other than the Iraq Petroleum Company would have been offered vastly different conditions. The common interests of the oil company and the Mandatory power has given the company the invaluable right of transporting its goods free of charge, though the company would have been glad to pay a fair price for the right in order to make use of its concession in Iraq.

ECONOMIC CONSEQUENCES OF THE CONCESSION

There will doubtless be an entire series of positive economic consequences of the concession. Thousands of people will find their living in the new building activities and factories of the Company. The direct supply of a commodity will lead to the lowering of its price and will attract many industries which need cheap power. Apart from its importance as the port for Palestine and its hinterland, which will, together with the establishment of railways and roads, lead to its continuous eastward expansion, Haifa, the new oil harbor, will also become of international economic and strategic importance.

¹⁶ In reply to a question in the House of Commons, assurances were given that a fair-wage clause, similar to that applying to the Haifa Harbor, would be applied.—H. V.

On the other hand, part of the Orient will be drawn inextricably into the world's capitalistic economic organization. Whereas hitherto the crises of the world market have had relatively weak repercussions at the periphery of civilization, considerable instability will now begin to be experienced in the labor market and those economic fields dependent on oil, as a result of the current variations in petrol prices and the resultant curtailment of production. Social differentiation and the class struggle will become more and more apparent in Palestine with the development of the oil industry.

So far as the international petroleum market is concerned, the opening of the Mesopotamian oil resources means a grave threat to the monopoly position of America and Russia. The consequences of this threat cannot as yet be foreseen, but it is obvious that in the future the filling of Europe's need for

oil will cause a shift in favor of Mesopotamian oils.

The pipe line and its terminal point also play a very important part in the military system and strategy of the British Empire. The acceleration in executing the concession can moreover be attributed to the necessity, having regard to the situation in Egypt, of assuring a supply of oil for the British fleet that is entirely under England's control. Positions of such great strategic importance, however, rouse the desires of the foes of the British Empire. It is by no means difficult to foresee that, should a state of war ever come about between Great Britain and its enemies in the East, the pipe line will be the region of the most intense military activity, and will, in fact, be the theater of war. Are the economic advantages brought to Palestine by the pipe line worth the risk? It is a question that can scarcely be answered in the affirmative.

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The Coöperative Movement

By HARRY VITELES

AREA AND POPULATION

THE coöperative movement in Palestine should not be compared with the coöperative movement in the United States, which has about 12,000 coöperatives with 3,200,000 members (including contract members, shareholders, shippers, consignors, and patrons) and an estimated business for the 1931-32 marketing season of 1,925 million dollars. The readers should bear in mind that Palestine is not much larger than Vermont in area—about 10,000 square miles—of which only about one half can be said to be cultivable at present and until more is known of the water resources and the soil contents of the south ("Negeb"), which, together with the deserts, constitutes about one third of the total area of Palestine. Its population of 1,035,821, including about 66,000 Bedouins, is somewhat less than that of Rhode Island and Vermont combined. Palestine is predominantly agricultural and rural, twenty communities having a population of over 5,000. Only nine communities have a population of 10,000 or more, and four have 45,000 or more. Jerusalem, with 90,407 persons, is the largest city.¹

COÖPERATIVE MOVEMENT PREDOMINANTLY JEWISH

Though the coöperative movement in Palestine antedates the British Mandate by more than thirty years, most of the societies are less than ten years old. Primarily, the coöperative movement, especially in the fields of coöperative

¹ About 60 per cent of the population in Jerusalem is Jewish.

credit and marketing, has been confined to the Jews, of whom, according to the Government census in November 1931, there were 174,610.² About 50,000 Jews reside in the agricultural and rural communities. The possibilities of developing coöperation among the Arabs will be dealt with later. For the present, it will suffice to quote from the report of Mr. C. F. Strickland,³ who was sent by the British Government to examine the possibilities for developing Arab coöperatives:

The Arab cultivator of Palestine is a man similar in temperament, standard of life and agricultural practices to many of the Muslim cultivators . . . in the northwest of India. He appears, however, to enjoy a slightly higher percentage of literacy and a very acute intelligence. He may be compared favourably in the latter respect with certain of the peasant classes in Southern Europe.—Page 1, par. 2.

The cultivating methods of the small Arab farmer are as primitive as in the majority of undeveloped countries. . . . His backwardness is due to lack of opportunity as well as lack of security in the past, to instability of character and to the load of debt which hampers all his operations.—Page 3, par. 3.

There will . . . be difficulties in organizing any self-governing group among the fellahin who are limited in their views and for the most part illiterate. On the other hand their illiteracy is less than in many parts of India, where coöperation has attained a measure of success . . . in natural intelligence and in readiness to

² The Jewish population in October 1932 is estimated at 180,000.

³ Report by Mr. C. F. Strickland of the Indian Civil Service on The Possibility of Introducing a System of Agricultural Coöperation in Palestine, 1930. Printing and Stationery Office, Russian Buildings, Jerusalem.

consider and accept the coöperative idea when placed before him, the Arab appears to me to stand above the Indian, and in many cases, also the European peasant. . . . In one respect the Arab has been fortunate, in that the plan of joint borrowing under the title of the "*Kafala mutasalsila*" is still generally understood and practiced; there can be no better introduction to the *Raiffeisen* system and the coöperative idea.—Pp. 5, 6, par. 5.

An important, if not the predominant tenet of the Jewish Federation of Labor—itself organized in a coöperative form, and the mother and promoter of a number of salient coöperative enterprises—is the establishment of a coöperative social and economic order. In recent years, coöperation has been superimposed by Government edict in several countries, or has been fostered by Government assistance. In Palestine; on the other hand, it is difficult to convince the Jews that "coöperatives" cannot be considered as the panacea for all evils; that certain forms of coöperative endeavor should evolve gradually.

The Jewish coöperative movement in Palestine developed in spite of the fact that during the Ottoman régime coöperatives had no legal status, and also during the British Mandate without any encouragement or assistance from the Palestine Government except for the enactment of the Coöperative Societies Ordinance 1920, a few reductions in stamp duties for credit and agricultural coöperatives, and an amendment to the Ordinance which allows members to charge future crops to their coöperatives. Palestine has had no experience with extensive Governmental credits to coöperatives, with which, in recent years, Americans have become familiar through the operations of the Farm Loan Board, the United States and State Departments and Bureaus of Agriculture, and

other governmental or quasi-governmental institutions.

Credit unions were and still are practically the only form of coöperative known to most of the Jews in the Diaspora, with the possible exception of Soviet Russia. Of agricultural coöperation, coöperative agricultural settlements, workers' productive societies, and building coöperatives, the Jews generally, and particularly those who came to Palestine before the War, had little or no knowledge. The application of the maxim "Necessity needs no teacher" is reflected in the early development (1880) of coöperatives for the purchase and sale of agricultural products, and to develop water resources and to combat and to drain the stagnant, malaria-infested swamps, where there was too much water.

COÖPERATIVE LEGISLATION

The Coöperative Societies Ordinance 1920, one of the first enacted by the British Civil Government, closely follows the text of the Bombay Coöperative Act 1912, and defines a coöperative as "any society which has as its object the promotion of the economic interests of its members in accordance with coöperative principles." A minimum of ten members of either sex is required for registration. The existence of any number of unregistered coöperatives is proof that there is no rigid enforcement of the proviso which makes it compulsory for every enterprise using the name of "Coöperative" to register under the Coöperative Societies Ordinance 1920.

Until now, the Government's only contact with the coöperatives has been, in the first place, when the society files application for registration, and in the second place, when every society submits an annual balance sheet, profit and loss statement, and returns certified by an auditor holding a Government

license—a requirement not too rigidly enforced. While there are about 350 coöperatives on the Government's Register (six non-Jewish), it is estimated that not more than 200-odd are functioning. The Government has under consideration proposals for amending the Coöperative Societies Ordinance 1920, one of which is to strike a society from the roll unless it starts operations within a certain period after registration.

A Committee of Five appointed by the Government, two of whom were Government officials and three were laymen engaged or interested in co-operative work, submitted its report on the need of amending the Coöperative Societies Ordinance and Regulations over two years ago. Action on this report, as well as on Mr. Strickland's recommendations and draft coöperative legislation, was postponed pending the appointment of a full-time Registrar of Coöperatives.

RESOURCES OF SOCIETIES

Mr. Strickland states in Paragraph 8 of his report previously referred to: "The bulk of the Jewish Societies are good, and there is a healthy coöperative spirit among them." Of the 200-odd active registered societies, about 50 are credit unions; 70 agricultural coöperatives (including coöperative agricultural settlements and irrigation societies); 35 building societies; and the rest are workers' productive societies, consumers' (distributive) societies, and so forth. The 200 active registered coöperatives, all Jewish, have about 40,000 members. About one out of every five of the Jewish population of Palestine is a member of a coöperative. There are thousands of women members, and in a number of societies they hold key posts in the administration.

When it is considered that the majority of the societies—particularly the

credit unions and the agricultural coöperatives—have been in existence less than seven years, it is gratifying to find that they have a paid-up capital and reserves of about \$1,500,000,⁴ representing savings of the members. A practical demonstration of the co-operative as well as of the thrift consciousness of the "Yishuv" (the term by which the Jewish community in Palestine is known) is the \$3,500,000 of deposits with the credit unions. Not only do most of these deposits represent the savings of the local population in a country where an annual income of \$600 for an urban "white collar" worker or a teacher is considered good, but most of the deposits are in amounts of \$100 and less—a significant factor for credit unions.⁵ A run on a coöperative is thus far unknown.

The credit unions' financial independence is reflected in their small indebtedness of only \$250,000 to the banks. As in other countries, the members are jointly and mutually liable for the debts of the coöperatives. In the case of the active societies in Palestine, this joint and mutual liability amounts to nearly \$7,000,000.

Only one credit union and four other societies have failed. The creditors received less than 100 per cent in the

⁴ All conversions of the sterling and the Palestine pound have been made at par—i.e., \$4.86.

⁵ The following table shows the average amount of deposits and of share and reserve capital per member, in the Jewish credit unions in four countries:

Country	Deposits per Member (in dollars)	Share per Member (in dollars)
Palestine.....	113	21
Lithuania.....	60	6
Poland.....	38	8
Besserabia.....	30	9

case of only two coöperatives, neither of them a credit union for an agricultural society.

It is of interest to note, furthermore, that though the credit unions' loans are character loans, secured by the borrowers' signatures with one or two guarantors, the societies have had to call upon the guarantors thus far in only a very limited number of cases. Furthermore, the societies have had to write off as bad debts, less than 5 per cent of the total amount issued.

COÖPERATIVE MARKETING AND PURCHASING

The development of the country, particularly in the production of marketable agricultural products by the Jewish farmers, is reflected in the increase of coöperative purchases and sales—\$5,000,000 in 1931 as compared with \$2,000,000 in 1928. The quantities would show a much greater increase, for there has been a decrease in prices during the last three years. Over 70 per cent of the total citrus crop grown by Jewish farmers (compared to only about 40 per cent in 1928) and nearly 90 per cent of the Jewish farmers' surplus milk and dairy products, vegetables, bananas and other fruits, eggs and poultry, honey, and other products are marketed coöperatively. Practically every Jewish vintner delivers his grapes to the coöperative "Vigneronne," which markets about 80 per cent of all the wine, liquors, and so forth manufactured in Palestine.

A brief description of the principal types of Jewish coöperative endeavors in Palestine will now be given.

AGRICULTURAL COÖPERATIVES

Every Jewish village has its coöperative for the purchase and sale of agricultural products, and most of them have agricultural loan and saving

societies (with limited liability) from which the farmers can obtain seasonal and other credits. Because of the small number of farmers in some of the settlements, it has been necessary to experiment with a type of coöperative which combines the functions of a credit union, a marketing and purchasing society, and in some cases even distribution. Many villages operate agricultural machinery, incubators, bull pens, and so forth, on a coöperative basis.

A more recent development in agricultural coöperation is that of the irrigation societies, and local orange producers' coöperatives for harvesting, packing, and marketing. These local orange producers' coöperatives and others to be organized, it is hoped, will join with the three older orange coöperatives and will form the proposed Palestine Fruit Growers' Exchange, to be modeled after the California Fruit Growers' Exchange.

Among the largest marketing organizations are: (1) the Coöperative Society of the Wine Growers of the Cellars of Richon-le-Zion and Zichron-Jacob Ltd. (1896) Vigneronne, which has cellars with a capacity of over eight million liters, and annual sales of about \$400,000 (at par); (2) the Pardess Coöperative Society of Orange Growers (1900) Ltd., which will market about 1,000,000 cases during the 1932-33 season; and (3) the "Tnuva" (Coöperative Marketing Association of the Jewish Agricultural Settlements in Palestine), which embraces nearly all of the Jewish farmers engaged in mixed farming. Its sales of milk, dairy produce, vegetables, bananas, eggs, poultry, and so forth, have increased from less than \$150,000 four years ago to about \$900,000 (estimated) during the current year, in spite of the decline in prices.

Of great importance to the farmers

are adequate veterinary service and insurance of livestock. The Jewish farmers have organized the "Hacklait" Cattle Insurance Company, Ltd. (organized in 1919); the "Shomroni" Cattle Insurance Coöperative Society (founded in 1929); and a half dozen local cattle insurance coöperatives. Such cattle insurance coöperatives cover about 5,000 head of cattle of over 1,500 members for an insurance value of about \$1,000,000.

Kvutsoth—

A group having similar religious, political, economic, or social background pool their resources and substitute collective for individual property. As Charles Gide points out in his book *Communist and Coöperative Colonies*, this is one of the oldest types of coöperatives, though not with a particularly brilliant past. In Palestine such coöperatives are known as Kvutsoth, Kibbutzim, and Irgunim. The Kvutsoth, which are coöperative agricultural settlements, differ from the "collective farms" in Russia, because they are voluntary organizations, while the collective farms, for the most part, are instituted and formed (sometimes under coercion) by the state, and the members are given certain rights as *workers* but not as owners.

Palestine is fertile soil for the seed of Coöperative Agricultural Settlements. Like the coöperative colonies in other countries, the twenty-four Kvutsoth in Palestine, with a total population of about 2,500, include, for the most part, individuals from the same country, district, or town, who have like economic, political, or social interests. The Kvutsoth, unlike the collective farms in Russia, do not pay wages. The earnings are pooled and every member of the Kvutsoth gets what he needs—food, clothing, medical attention, cash assistance for relatives

abroad, or help to bring them to Palestine. The sick are given special diets or sent away for convalescence; the infirm are given the lighter tasks; the aged are allowed to continue to live their religious and traditional life.

There is no personal property—whether it be a plow, a horse, or a cow—which a member of a Kvutsoth can claim as being his own. He leaves the Kvutsoth as empty-handed as he came. He can leave when he wishes, just as he joined, without any coercion. The children are generally housed, both day and night, in central buildings. While there is a certain amount of specialization in the work, every member must do the work assigned to him. In a few Kvutsoth, family houses are being built; the children are with the parents at night, and in some cases, children over a certain age remain with the parents all the time.

Kibbutzim, Irgunim, and Hevroth—

The forty-odd Kibbutzim, Irgunim, and Hevroth, with about 2,500 adult members, differ from the Kvutsoth because they are not independent groups like the Kvutsoth, which choose their members and therefore generally become "closed" units which are not considered part of any of the other groups.

A Kibbutz may either have its own farm or work for others as the case may be. It may or may not be waiting for permanent agricultural settlement. A Kibbutz generally depends upon work for others. The Kibbutzim are more like the Agricultural Workers' Productive Societies in Italy, except that the latter do not pool their resources or earnings, and do not have a joint household except when working away from home.

Moshavim—

The twelve Moshavim, or Workers' Smallholders' Settlements, with a popu-

lation of about 2,400 adults, differ from the Kvutzoth mainly because the principle of private property is recognized, every farmer having his own movable and immovable property; every member disposes of his earnings; and the family life is maintained in separate houses. In the smallholders' settlements, the important coöperative feature is that the coöperative purchase and sale of products, communal activities, mutual aid in the case of the sick and the widows, and so forth, are compulsory in the sense that the smallholder who does not comply with these social principles is made uncomfortable. In some smallholders' settlements, there is the pooling and joint development of certain types of land. For instance, grain farming is found to be more profitable if done by a small group of experienced farmers; the same is true of plantations and other work.

CREDIT UNIONS

Credit coöperation is simpler and requires less suppression of individuality than does, say, agricultural coöperation. In the case of the credit union, a member begins to feel his responsibility only in time of trouble, when he has to contribute (generally a multiple of his paid or subscribed share capital) towards the deficits incurred. The aptitude for credit coöperation⁶ in

particular is reflected in the fifty credit unions in towns and villages, for every type of population—artisans, small traders, laborers, farmers, and rentiers, and having about 25,000 members. Most of these credit unions have been established since 1925. Eight of the fifty are workers' credit unions, three urban and five rural, and had over 7,200 members at the end of 1931. The share and reserve capital of the fifty credit unions amounts to about \$1,000,000, and deposits and savings to nearly \$3,500,000.

WORKERS' PRODUCTIVE SOCIETIES

Workers thrown out of work by business depression, strikes or lockouts, or desiring to operate on a coöperative basis, united into *Workers' Productive Societies*. In Palestine, practically all these are affiliated with the General Federation of Jewish Labor.⁷

There has been a larger number of official and unofficial liquidations of both small and large Workers' Productive Societies than of any other type of coöperative societies. The reasons for the large mortality rate are the same as for similar enterprises in other countries—that is, insufficient financing when organized; inexperienced and inefficient sales machinery; inefficient management; organization not because

⁶ Probably one of the principal reasons for the failure of the few Arab coöperative societies which have thus far been organized is that they were agricultural or marketing, rather than credit unions. Strickland, in discussing coöperative marketing societies for Arabs, writes: "... still less is it practicable to undertake those more advanced forms of coöperation or agricultural organization which require a broad view beyond the confines of the village . . . wherever the peasant was originally indebted, as in Ireland, it must be remembered that the credit societies, though they have now receded in the background, were the first stage in the building, on which the creameries and other bodies have now been superposed." (Page 4, par. 3.)

⁷ It is regrettable that this volume does not contain an article on the labor movement in Palestine. There is no other single organization which is contributing so much in developing social economic enterprises which not only are of interest and of great value to the workers, both Jews and Arabs, in Palestine, but which also can serve as a salutary example as to methods to the labor movement in other countries. See section on Labor Movement by Prof. Leo Wolman in the Report of the Palestine Joint Survey Commission; articles in the *Labor Review* of the International Department of Labor; *The Jewish Labor Movement in Palestine: Its Aims and Achievements*, submitted to the Labor-Socialist International Congress, Brussels, Aug. 1928, by the General Federation of Jewish Labor in Palestine.

of a real need but rather as a means of combating unemployment.

In Palestine there is an additional factor—the colonizing influence—the effect of which on the whole coöperative movement is discussed later. Here it is sufficient to say that a very significant social-economic experiment—a labor contracting bureau, organized by and affiliated with the General Federation of Jewish Labor in Palestine, which executed millions of dollars of work and furnished work to several thousand people—failed because it deemed its prime function to be that of an employment and training institution for workers. It is also questionable whether this labor contracting bureau, though an important social-economic experiment, was a true coöperative, since it lacked the two important fundamentals of coöperation—participation of every member (in this case the worker) in the capital of the society, and mutual liability and responsibility for the losses. But this is not the place for a discussion of this venture.

The 56 Workers' Productive Societies (these are exclusive of the temporary and permanent labor contracting groups, the number of which is unknown) have 850 members and employ 137 workers and apprentices. These 56 societies differentiate between wages according to type of work and skill, and do not pay during periods of unemployment. Though the maximum wages are fixed, the members receive only what is left after all the other expenses have been covered. The largest individual group of 26 Workers' Productive Societies, with 239 members, is directly or indirectly dependent on building trades. The second largest group consists of 14 societies with 411 members (the largest one is in Tel-Aviv with 76 members) engaged in motor transportation of all kinds. It is significant to note that a large portion

of the entire transportation system in Jerusalem, Tel-Aviv, Haifa, and their suburbs, as well as that between these three cities, is organized in several coöperatives, due to the initiative and efforts of the Coöperative Division of the General Federation of Jewish Labor in Palestine.

Yachin—

An interesting experiment is the "Yachin" Agricultural Contracting Coöperative Association, Ltd., which started operations in 1927. This organization undertakes plantation work of all kinds at a fixed price, generally for absentee owners. Working with a minimum permanent staff, consisting mostly of office help and technical supervisors and foremen, it carries out the work through groups on a contract basis. Deep-plowing is contracted out to one group, grafting of trees to another, and so forth, at a fixed price and on the responsibility of the group. These groups are members of the Yachin and are beginning to participate to an increasing extent in the management. Like the labor contracting bureau mentioned in the preceding paragraph, the Yachin lacks the two fundamental principles of coöperation, viz., members' (workers') participation in the share capital, and mutual responsibility for the losses.

BUILDING, LAND PURCHASE AND SETTLEMENT SOCIETIES

The desire to own a house or to build a new community in a suburb has been the driving force in the organization of the Coöperative Land Purchase and Building Societies in Palestine. These societies are characterized by the large number of nonresident members—for the most part prospective settlers in Palestine.⁸ Nearly all of these socie-

⁸ Mr. Strickland criticizes this aspect (page 18, par. 18): "I find it . . . impossible to believe

ties have confined their activities to the purchase and amelioration of the land, the installation of water systems, and the construction of roads and the necessary community buildings. Many of these coöperatives either are liquidated or remain dormant.

There is a second group, similar in structure to the Building and Loan Association in the United States, which helps its members obtain mortgage loans, such as the Hatzaphon Irrigating Contracting Society in Tel-Aviv. A third group consists of societies such as the Commercial Center in Haifa and Tel-Aviv, which have constructed commercial centers (shops).

CONSUMERS' COÖPERATION

Consumers' coöperation requires a large, stable, urban wage-earning population with a labor philosophy and a highly developed appreciation for small savings in the future, such as dividends on purchases. Though some of these elements are found in Palestine, the consumers' coöperative movement until now has not been more successful here than among the Jews in other countries.

The Hamashbir Palestine Coöperative Wholesale Society, Ltd., affiliated with the General Federation of Jewish Labor, successor to the old "Mashbir," is now seeking to develop a consumers' coöperative movement, primarily in the villages, for both farmers and agricultural laborers. About a dozen such societies have been registered and are already functioning, mostly in villages. But, unlike most of the consumers' stores in other countries, those in Palestine have not adopted the Rochdale principle of cash sales.

that the coöperative system can cover the principle . . . that a group of persons residing principally in Rumania is entitled to operate in land transactions in Palestine under the shelter of the coöperative law."

SPECIAL CHARACTERISTICS

Has the Jewish coöperative movement in Palestine special characteristics that differentiate it from the coöperative movement in other countries?

Palestine is "a country in the making," populated by groups of Jews coming from many different countries, and therefore having a heterogeneous, if not conflicting, social and economic philosophy; and furthermore, Palestine has a constantly changing economic grouping. There is not yet and probably will not be for many years a preponderant form of coöperation in Palestine, such as, for instance, consumers' societies in England, agriculture in Central and Eastern Europe, and so forth.

It is too early to speak of a crystallized form of coöperation in Palestine. Everywhere, coöperative forms have been adopted to suit the needs of "a country in the making." For instance, seven years ago it was thought that because of the small size of many of the agricultural settlements it would be best to include within one society coöperative credit, marketing, purchasing, and sometimes distribution. Later there was a movement to organize primary and single-purpose societies. Experience has shown that the multiplication of societies with interlocking directorates was undesirable. It was also thought these resulted in increasing borrowing by members, administrative expenses, investments in movable and immovable property, and so forth. Now there is a movement back towards centralization within one society of all the functions (with the exception of distribution), but to arrange for financial and administrative autonomous departments.

Colonization influences—

Yet, on the other hand, the Jewish coöperative movement in Palestine has

special characteristics which arise from what, for the want of a better term, may be referred to as a "colonization influence." There has been a fusing of the aims of colonization and coöperation. Out of this identification have arisen certain departures from accepted or what might be called "true" coöperative practices. Inasmuch as Palestine is a potential home for any Jew anywhere who may want to come, the coöperatives admit absentee members, generally prospective settlers, who organize abroad for purchase and development of the land. (Strickland's criticism of this phase has already been cited.) A few societies also have sold shares abroad on the theory that a Jew should not be denied the opportunity of contributing towards the economic development of the country merely because he does not reside in Palestine.

The high cost of settling and the latent urge to do it as quickly as possible create the need for relatively large credits. Therefore there is a duplication and unhealthy multiplication of urban credit unions, with the resultant duplication in membership, the same individual obtaining credits from, and therefore responsible for the liabilities of, more than one credit union.

This urge for settlement also has had its positive influences. One of these is the development of the thrift or saving habit, which has been referred to when discussing the \$3,500,000 deposits—large number of small savings—with the credit unions. There are not a few social workers who criticize this extreme thriftiness of the population because it results in lowering the standard of living for the adults—not for children, to whom the best is given, on the ground that these must be prepared for the later struggles. A worker earning but \$1 a day (at par) will save towards the purchase of a

cow, a piece of land, and so forth. Yet another positive result of this desire to settle is the scrutiny and supervision by the societies—particularly the rural credit societies—over the use of the loans so that these are used productively and not squandered.

The unpunctual payment of wages, or the payment with promissory notes or scrip, and the necessity for selling agricultural produce on credit (which is in part a corollary of the first and in part made necessary by the competition with the traders who sell the unorganized Arab produce) impede the expansion of both the urban and rural consumers' movement on the Rochdale principle—cash purchases and cash sales. On the other hand, there is the knitting of a close relationship between the agricultural producers and the consumers—a phase of coöperation which is receiving much attention now in every country, particularly in England and Germany. It is paradoxical but yet true that in Palestine there has been a movement away from this close coördination between agricultural producers and the consumers.

Central institutions—

To some extent, the coöperative movement has grown from the top downward, central institutions, some of which are not coöperative in form, having been built up before the local units. Before the War, the Anglo-Palestine Bank and the Palestine Jewish Colonization Association (Pica), and during the last decade the Central Bank of Coöperative Institutions in Palestine Ltd., and to some extent also the Workers Bank Ltd., have been the financial and organization entrepreneurs in the coöperative movement.⁹

The coöperatives are not yet pre-

⁹ The credit unions have started to organize their own central financial and auditing institutions.

pared to take over the central financial coöperative institutions. If they had created their own central institutions, it would have been a more coöperative process. However, in view of the pioneer character of the country, the absence of any Government financial assistance, and the not unnatural impatience of the "Yishuv" at slow growth, it is doubtful whether the coöperative movement could have grown up so rapidly without the assistance of central institutions organized and financed by "outsiders"—social-economic institutions interested in the development of Palestine.

Some contend that the growth of the coöperative credit movement in particular has been far too rapid; but it is this branch of the coöperative movement in Palestine that has been fostered and nurtured less by the "alien" central institutions than have the other coöperative enterprises. These have created their own resources, perhaps sometimes forgetting the strict law and letter of the coöperative "Bible."

Other examples of the reversed process of coöperative evolution in Palestine are: (1) a second endeavor to create a coöperative wholesale society first, and then local consumers' societies; (2) a central building contracting coöperative—now defunct—without the guild and craft societies; and (3) the agricultural contractors' bureau, which is only gradually associating the producers' or crafts' groups in its management.

Auditing unions—

With all the understanding and appreciation of the practical benefits of coöperation, there is still lacking an understanding of the need for a comprehensive organization embracing all the coöperatives, which should take over the organization and educational work which has had to be done, until

now, mostly by the Central Bank of Coöperative Institutions in Palestine, Ltd. This is due in part to the marked differences between the various groups about the aims of coöperation; differences in coöperative philosophizing; and in part to the accentuated differences between the "labor" and "non-labor" coöperatives. Yet these differences are more theoretical than practical, based more on psychological prejudices than on realities. In spite of the general admission of the desirability of one all-embracing central organization (auditing union) with departments for various types of coöperatives, this seems to be out of the question. The laborites will have their own; the non-labor agricultural coöperatives theirs, and so forth.

ARAB COÖPERATION

In the first part of this article several quotations were given from Mr. Strickland's report on the advisability of introducing agricultural coöperation in Palestine among the fellahin. The Jews, particularly the coöperators, have long urged the organization of Arab coöperatives. Therefore they welcomed one of the first acts of the new High Commissioner, Sir Arthur Wauchope, which was to implement Mr. Strickland's recommendations by appointing one of the senior officers of the Government as Registrar of Coöperative Societies in accordance with the following recommendation (par. 11):

The Palestine Government should therefore select the most competent man available from its existing officers who are familiar with village work. . . . In order that he may speak with authority on the technical subject with which he is dealing, he should be sent for a period of six months' deputation to examine rural conditions in general and the coöperative movement in particular in several selected countries.

It is hoped that the Government will also bear in mind the following paragraph (par. 13):

The Registrar will proceed with caution. There can be no greater mistake than the hasty registration of half-baked societies. It is better to disappoint an eager group of fifty persons, teaching them and wearying them until only fifteen remain, than to extend credit to a number of indebted cultivators whose sole idea with regard to the proposed society is that it will give them money at 12 per cent. Government should not be disappointed if the first society is only registered when the Registrar himself has been six months at work in Palestine.

Arab-Jewish credit societies—

Mr. Strickland in paragraph 15 of his report advised against the "utilization of Jewish societies to extend a knowledge of coöperation to the Arabs in the case of coöperative credit." Was it that he did not wish to risk coöperation by possible political explosions which might occur if a mixed Arab-Jewish society were to take extreme measures to collect the debt due from an important Arab member? For otherwise, from a strictly coöperative point of view, Mr. Strickland's suggestion is strange. This is perhaps another instance why the accepted coöperative principles cannot as yet become the coöperative law in Palestine. It is hoped, however, that the successful joint work of Arabs and Jews on various Government subcommittees—particularly on the General Agricultural Council and its subcommittees—will pave the way and show that joint Arab-Jewish credit societies are both possible and practicable.

While 100 per cent Arab credit societies must be organized in the 100 per cent Arab communities, a few mixed societies might be organized to serve contiguous Arab and Jewish

villages or the mixed populations in certain districts of Jerusalem and Haifa, as an experiment. Joint work in credit societies has been and can be successful because credit coöperation is easier to understand, there is more immediate direct benefit, and less, if any, room for suspicion and lack of confidence.

Arab coöperative marketing—

Mr. Strickland writes (page 4, par. 3):

It may be possible, in addition to affording him a controlled source of credit, to proceed direct to the organization of marketing, but here again the difficulty will be the character of the Arab peasant. So long as his outlook on life is hopeless and his attitude towards his fellow villagers is one of suspicion, he will seldom be loyal to a marketing association, and without the *intention* of loyalty on his part it will be difficult to enforce any marketing contract which he may enter and break. . . . Stability of character is a plant of slow growth . . . still less is it practicable to undertake those more advanced forms of coöperation or agricultural organization which require a broad view beyond the confines of the village.

While advising in paragraph 31 that separate marketing societies should be formed in each Arab village where there is a prospect of commanding a sufficient quantity of produce, e.g., oranges, Mr. Strickland does not think that the "Arab societies will be able to set up their own marketing organizations in the near future; nor will it be necessary for them to do so, since in this sphere the Jews and Arabs can be combined with advantage to all parties." Past experience would indicate the reverse to be true. The Arabs thus far have remained adamant to every approach by the Jews and the Government for coöperation in marketing of citrus crops, bananas, and so forth.

This is perhaps not unexpected, because in general, coöperative marketing is a more advanced form of joint work than is coöperative borrowing, and requires a higher degree of consciousness of kind. The general distrust on the part of the Arab, and, to no small extent, the opposition of the exporters and politicians are the principal difficulties to be overcome. Extensive coöperative marketing, particularly of citrus crops—the most important product affected and on which the future of Palestine so largely depends—through a joint Jewish-Arab fruit exchange seems many years off, unless the Palestine Government is prepared to follow the South African and New Zealand Governments and use coercion. Mr. Strickland writes (paragraph 32), "I am myself a convinced believer in the compulsion of minorities in the field of agricultural marketing."

A SOCIAL EXPERIMENT

Whether coöperation among the Arabs will proceed at a slow or rapid pace in credit or marketing, there is no doubt that the Jewish accomplish-

ments in this field will make the road less thorny for the Government and the Arabs. If Arab-Jewish relations are improved through coöperative effort and organization, then another important social experiment will have been worked out; to wit, the significance and value of coöperation in bringing about amicable relations between two inimical groups. That coöperation can serve as the instrument for the fairest economic exploitation of Palestine in the joint interest of both the Arab and Jewish masses and for cementing the two peoples together, has been admitted by many.

The significance of the experiment of Palestine coöperation is that, unlike in many other countries, the coöperatives, because they were first in the field, have not and probably will not have the same struggle with entrenched private competitive industry and finance. The Palestine coöperatives should be able to work out their own salvation satisfactorily, under conditions where the interference of entrenched competitive and private industry (including agriculture) is at a minimum.

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Mr. Viteles is the author of monographs and articles on the coöperative movement and on various branches of agriculture, such as the citrus industry, the almond industry, viticulture, and aviculture.

Jewish Education in Palestine

By ISAAC B. BERKSON

I. HISTORICAL BACKGROUND

THE Jewish school work in Palestine, particularly the main system of education which has grown up under the influence of Zionism, must be viewed in the light of previous developments in Europe, as modern forces breached the walls of the Jewish ghetto. The changes impinged upon a strongly rooted school tradition. The biblicentric character of Judaism had given rise over two thousand years to an ideal of universal education—for the boys at least—and to an ideal of lifelong devotion to learning. In the passing of the centuries this ideal was, if possible, intensified as tomes of lore, Talmud and Commentaries, were piled in an inverted pyramid on the original foundation of the Written Torah. Even in ancient days, study of the Law was accounted by some rabbis a form of religious devotion more spiritual than prayer; it was the way to salvation—indeed, salvation itself.

In educational philosophies dominated by the Anglo-Saxon tradition, there has always been an undercurrent of belief that the true education is not to be had in the schools, but in the occupations of life. Judaism, though in its earlier days realistic, preaching an emphasis on the living deed, ultimately reached quite the opposite conception: learning came to be regarded as life's essential occupation. In certain centers of Jewish life in Eastern Europe, the "Perpetual Student" became the social and spiritual ideal.

RENAISSANCE OF HEBREW LANGUAGE

Upon this intense religious-intellectual tradition the waves of naturalism and rationalism, and later of nationalism, began to beat in the first half of the nineteenth century. The highly developed hunger for learning could no longer be satisfied by the ancient religious classics, and Hebrew, until now the language of the prayers and of the classic texts with their commentaries, began to be revived as a means of bringing the science and literature of Europe into the ghetto. The religious spirit of passive absorption gave way to a need for literary self-expression.

Before this reawakening, every boy knew Hebrew, in a sense; he could understand the prayers and translate from Pentateuch and Prophets, and the more advanced students could read the difficult Aramaic texts of the Talmud. But in the centers of Jewish life in Eastern Europe where the sense of form had been lost, even scholars could rarely write a sentence in grammatically correct Hebrew.

Under the impulse of the desire for Western knowledge, the need of self-expression, the reassertion of æsthetic feeling, and the growing sense of a reawakened national consciousness, there occurred a remarkable renaissance of Hebrew as a living tongue, at first in classic Biblical form, and afterwards in more flexible synthesis with later styles of Mishna and Talmud. A considerable literature grew up, including poetry, novel, and short story as well as scientific, historical, and literary essays. In many circles it became an

ideal to use Hebrew as a spoken tongue. Schools were opened where Hebrew was employed as the language of instruction and where Hebrew grammar and the modern Hebrew literature had a place.

The renaissance of Hebrew, first stimulated by the Jewish *Aufklärung* which took place in the nineteenth century, was finally brought to a full development by the national-cultural aspiration. Thus, the Hebraic movement was roughly contemporaneous with, though somewhat antecedent to, Zionism, which, it should be understood, is one aspect and instrument—rather than the objective—of the will for a renewal of Jewish life and culture.

BEGINNINGS OF HEBRAIC EDUCATION IN PALESTINE

In Palestine itself, the effort to create a new type of Hebraic education began about fifty years ago. The Russian *Lovers of Zion* movement—precursive of the more official Zionism formulated in the Basle Programme in 1897—brought to Palestine pioneer groups imbued with the ideal of "Back to the Land," in its general sense of "return to the soil," and in its special meaning of "return to Zion."

Two types of schools existed at that time in Palestine: the Heder, Talmud Torah, and Yeshivah type, in the old medieval tradition; and schools of the *Alliance Israelite Universelle*, which had been founded after the Damascus riots of 1860 to raise the Oriental Jew from the degradation of ignorance and poverty to a state of self-support and self-respect. The old schools, Heder, Talmud Torah, and Yeshivah, were entirely religious in character, though arithmetic was not infrequently a part of the curriculum, and the language of instruction was Yiddish—Arabic or Ladino occasionally—the texts being

the traditional Hebrew classics. The *Alliance* schools resembled modern secular schools: the Hebrew studies were considered religious subjects; the language of instruction was French.

The new settlers were not satisfied with the schools they found. Jewish teachers inspired with the ideal of the Hebrew Renaissance set before themselves the aim of developing a modern school in which all subjects would be taught, secular as well as Jewish, and all in Hebrew.

The difficulties should have appeared insurmountable. Terminology was inadequate, textbooks were nonexistent, and the teachers themselves frequently spoke Hebrew with difficulty. But schools developed in various colonies. In 1893 the *Lovers of Zion* founded a Hebrew School for Girls at Jaffa which became the model for other efforts. In 1907 a course of study was formulated by the Teachers' Organization which led in the work of creating the modern Hebrew school. At the eve of the World War, there were already sixty institutions of the new type, in all grades—kindergartens, elementary, secondary, and teachers' training schools—with a total registration of 2,600 pupils.

In the meantime, in emulation of the *Alliance Israelite Universelle*, other Jewish foreign organizations had established schools. The Anglo-Jewish Association had founded the Evelina de Rothschild School in Jerusalem, in which the main language of instruction was English. The German school society, *Ezra*, affiliated with the *Hilfsverein der deutschen Juden*, was particularly active and had succeeded in developing a system of schools, including a teachers' training school, in which Hebrew played a more important part than in the schools of the French and English associations.

A "BATTLE OF LANGUAGES"

Nevertheless, in 1913, when the *Hilfsverein* was about to open a Technion in Haifa, it was announced that the language of instruction would be German. A critical moment had arrived in the conflict which had been developing between the modern Hebrew schools and the educational work of the foreign societies. The latter were suspected of being outposts of the imperialist ambitions of various European nations. A "Battle of Languages" ensued which stirred the new Jewish community to its depths. The teachers left all the *Ezra* schools. A Society for Development of Hebrew Education was organized. The schools were reopened under the auspices of the Teachers' Organization and the Society, with the aid of various Zionist bodies. The cause of Hebrew was victorious.

Then came the War, the schools suffering in the vicissitudes of poverty, conscription, and exile, but a remnant of the school works was saved by Zionist funds. After the British occupation, when a Department of Education was formed under the auspices of the Zionist Administration, the existing nucleus of modern Hebrew schools served as the basis for the development of a unified Hebrew school system.

II. PRINCIPLES AND VIEWPOINTS

A number of main principles had been established: the unity of the Jewish school system on a national basis; instruction of all subjects in Hebrew; a course of study uniting the European curriculum with Hebrew subjects into an organic program; recognition of education as an integral part of the upbuilding of Palestine for which the central Zionist agency must be concerned. Another point is noteworthy,

the admission of girls to schools on an equal footing with boys. There is in the Jewish tradition, indeed, no active opposition to the education of girls as such generally marks Oriental peoples. Not infrequently girls were sent to school or had private tutors at home. There are also some cases of learned women cited. But the vast majority of girls had to be content with ability to read the prayers and to write a simple letter in Yiddish, and with such Jewish lore as they imbibed at home through the ritual and through grandmothers' tales. The ease with which girls were admitted into the new Hebrew schools testifies to the authenticity of the spirit of modernism which marked the Hebraic movement.

RELIGIOUS AND SECULAR IDEALS

An important problem which faced the builders of the Hebrew school system in Palestine was the religious question. The Hebrew Renaissance and Zionism will no doubt be adjudged by the historian as being in the direct line of Jewish tradition, expressing the very essence of the Jewish will to preserve cultural and spiritual values of the past. However, in the light of beliefs and practices of the day, these movements were nonconformist and to a large extent secularistic in spirit. Thus, while "Back to the Bible" was conjoined with "Back to the Land," this was felt to be a return to pure, original, classic source of Jewish culture and literature; certainly not an affirmation of orthodoxy, which centered its teaching rather in Talmud and Medieval Commentaries.

Moreover, among the leaders of Zionism were men who gave little heed to the Jewish ritual; and while the rank and file were made up of Jews who had a conservative attitude toward religious aspects of Jewish life, the emphasis on revival of language and on secular in-

terests made national culture rather than religion the center of interest. There were, of course, even those who wished to remold Jewish life and thought along secularistic lines, and to rebuild the Jewish people in sheer imitation of the cultural pattern of European nations. As the modern Hebrew school in Palestine took on form, it tended to resemble very much the American public school, in which religion, regarded as a matter of the home, is not included in the school program.

Despite the secularistic tendency which it assumed due to the impact of the forces of modernism, intrinsically there was nothing in Zionism which opposed religion. Rather, it gave a new dress to the old Messianic ideal. From the beginning, the pro-Palestinian movement was supported by the more moderate among religious Jews. In fact, the very first of the celebrated precursors of Zionism was Rabbi Hirsh Kalischer of Thon, in Prussia, who as early as 1860 advocated colonization of the Holy Land and sought to convince his orthodox colleagues that the Messianic idea of restoration of the Jews to Zion could become a fact only by slow working of historical forces. It was but natural, then, that among the new settlers were some of orthodox viewpoint, and that many among the pious Jews who dwelt in the Holy Land should be won over to the national ideal.

These more conservative circles could not be satisfied with the modern school which was evolving as a Hebrew copy of European schools, with the Bible occupying the place of classic literature. So, following upon the general educational development, there began to grow up at the beginning of the present century a modified type of Hebrew school, supported by parents with the help of orthodox groups in

Germany, in which a synthesis of nationalism and religion was attained. In the program of these schools the study of the Talmud received due emphasis, and religious practice was inculcated. When the school system was taken over by the Zionist Organization, after the War, the orthodox schools were sponsored by the Mizrahi, the religious wing of the Zionist movement, and they became part of the system of schools, with certain autonomous rights.

SOCIALIST AND LABOR GROUPS

During the last decade the Socialist Zionists have also begun to play a prominent rôle in Jewish life in Palestine and in the school system. Though Zionism in its development was essentially a middle-class movement, Socialists, like orthodox Jews, took a part even at the very beginning, though this part was long a minor one. It is interesting, though quite incidental, that the second great precursor of Zionism was Moses Hess, who played an active part in the Socialist struggle in Germany in the middle of the nineteenth century. The rising influence of the Labor group in the Zionist Congress and in the colonization work in Palestine dates from after the War.

The Labor group, like the Mizrahi, have a definite doctrine to inculcate. Socialism is the way to salvation, and hard manual labor is the ritual. Palestine is to be redeemed not alone by Jewish ownership of the land, but by the hard work of tilling it through Jewish hands. In the schools which have developed in the Socialist settlements, special emphasis is laid on work and especially on agricultural training. The schools have been influenced in a measure by the informal pedagogical concepts of the progressive educational movements. The Labor schools are still the smallest of the three groups in

point of numbers, but they represent an active and growing influence on the educational ideals in Jewish Palestine.

III. THE HEBREW PUBLIC SCHOOL SYSTEM

As a result of the factors described above, three types, Mizrahi, Labor,

and General, will be found in the school system of the Jewish Agency, which has inherited the educational functions of the Zionist Organization. As may be seen from Table II, the General schools are in the majority, but all schools receive equal consideration in the distribution of funds, and

ENROLLMENT, ETC., IN SCHOOLS MAINTAINED BY OR AFFILIATED WITH THE JEWISH AGENCY FOR PALESTINE (1930-1931)

TABLE I

(In accordance with grades of instruction)

	No. of Schools	No. of Teachers	No. of Full- Time Teach- ing Posts	No. of Pupils
Kindergarten.....	138	177	177.0	5,000
Elementary.....	106	544	467.3	15,031
Secondary.....	4	86	76.3	1,489
Teachers' Training.....	4	45	29.8	500
Vocational and Others.....	6	45	37.7	513
Totals.....	258	897	788.1	22,533

TABLE II

(In accordance with social and religious viewpoint)

	No. of Schools	No. of Teachers	No. of Full- Time Teach- ing Posts	No. of Pupils
General.....	139	555	490.5	13,996
Mizrahi.....	60	254	212.6	6,739
Labor.....	59	88	85.0	1,798
Totals.....	258	897	788.1	22,533

TABLE III

(In accordance with financial categories) for further explanation see Table IV.

	No. of Schools	No. of Teachers	No. of Full- Time Teach- ing Posts	No. of Pupils
Category A (Maintained).....	86	529	447.7	15,019
" B (Assisted).....	82	202	187.8	3,913
" C (Pica).....	17	38	33.2	774
" D (No financial assistance)...	73	128	119.4	2,827
Totals.....	258	897	788.1	22,533

each group enjoys a wide range of autonomy in choice of teachers and in the determination of the course of study. These powers are exercised through special committees, one for each type of school. The Labor schools have at present a more independent administrative status than the other groups, but negotiations are in progress to assimilate their mode of affiliation to that of the other schools. The basic principle of organization, then, gives play to group divergencies in social and religious outlook, and in this respect differs radically from the American public school system, which strongly opposes all divisions in the state schools along political or religious lines.

Despite the wide differences, however, common elements prevail in organization and in content of course of study, and the three types of schools together truly constitute a national system of education for the Jewish section of the population. Hebrew, as the common language of instruction, serves as a powerful unifying factor. The Jews in Palestine come from many parts of the world and speak a variety of languages, and Hebrew thus provides a common medium of discourse. Viewed historically, Hebrew unites with the past. Hebrew serves also, in a sense, to unite the religious and secular culture, for the great religious classics are also the classics of Hebrew literature. In the light of the diverse conditions of Jewish life in Palestine, the facts that all Jewish public schools have one language of instruction and that the language of instruction is Hebrew constitute a factor of unity, the importance of which cannot be exaggerated.

Within the course of study itself there are many common elements. The Hebrew Bible, whether as the religious source or as a literary classic,

holds a central position in all types of schools. Jewish history, the celebration of holidays, home geography—which includes a study of the Homeland in various aspects, natural, historic, and social—and the inculcation of the ideal of Rebuilding the Land, are additional unities on the Jewish side of the curriculum. Besides these factors, there is the common core of general secular subjects—arithmetic, nature study, geography, drawing, general history, English in upper grades of urban schools, Arabic in secondary schools, and so forth.

INTERNAL UNITY

The basic internal unity of common language, common Jewish subjects, broad Jewish national aim, and common core of general subjects, developed gradually over a period of many years, and was already present in its main features when the Department of Education of the Zionist Administration was formed in 1919. As has already been noted, the teachers, organized in a strong association, has already taken important steps in the development of unity in course of study and in school organization. A unifying influence was exerted also by the Board of Education (Va'ad ha-Hinnukh) organized in 1914, after the "Battle of Languages."

The important contribution made by the Zionist Organization in the period after 1919 was to consolidate and further strengthen the internal unity by important administrative measures. The schools founded by various societies, *Hilfsverein*, *Pica*, *Netzah Yisrael*, and various local communities, were now made subject to a single organization. The authority of the Va'ad ha-Hinnukh (Board of Education) over the common elements in all types of schools—without prejudice to autonomous rights of minority types—was confirmed. Central ad-

ministrative and supervisory machinery was established through a Department of Education, and the main share of financial responsibility was assumed by the Zionist Organization.

The Zionist system of schools thus became the chief educational factor among the Jews, and in 1927, when the Government voted the Hebrew schools a share of its educational funds, it decided to transmit the grant-in-aid to the Department of Education of the Zionist Organization, reserving to itself certain rights of control and supervision through its own Department of Education. The Palestine Zionist Executive was thus recognized as the directing authority of the Hebrew public school system, which is regarded as parallel to the system of public education for the Arab section of the popu-

lation directly conducted by Government. In 1929, with the formation of the enlarged Jewish Agency, consisting of Zionists and non-Zionists, the educational work was taken over along with the other tasks of the Zionist Organization.

IV. FINANCIAL AND ADMINISTRATIVE PROBLEMS

From the financial viewpoint the schools are divided into several categories—"maintained," "assisted," and so forth. The elementary school system of eight grades is for the most part in the "maintained" class, while the secondary schools, and to a growing extent the kindergartens, are in the "assisted" class, receiving only fixed grants. From Table IV it will be seen that about half of the revenue is

TABLE IV—ESTIMATED INCOME AND EXPENDITURE OF SCHOOLS MAINTAINED BY OR AFFILIATED WITH THE DEPARTMENT OF EDUCATION OF THE JEWISH AGENCY (1930-1931)

	Categories ^a A and C (LP)	Category ^b B (LP)	Category ^c D (LP)	Total (LP)
INCOME				
1. Jewish Agency.....	66,974	8,746,520	....	75,720,520
2. Government.....	19,175	.....	....	19,175,000
3. Pica.....	5,645	.....	....	5,645,000
4. Local Communities, Fees, Town Councils, etc.....	30,216	25,591,380	20,767	76,574,380
5. Miscellaneous.....	60	5,852,000	2,046	7,958,000
Totals.....	122,070	40,189,900	22,813	185,072,900
EXPENDITURE				
1. Kindergartens.....	11,340	5,744,200	11,883	28,967,200
2. Elementary Schools.....	86,003	10,403,700	3,225	99,631,700
3. Secondary and Teachers' Training Schools.....	10,642	23,133,000	5,055	38,830,000
4. Vocational Schools.....	....	400,000	2,650	3,050,000
5. Administrative and General Expenses..	14,085	509,000	....	14,594,000
Totals.....	122,070	40,189,900	22,813	185,072,900

^a Schools provided and maintained by the Jewish Agency; and schools provided by Pica (Palestine Jewish Colonization Association) but maintained by the Jewish Agency.

^b Assisted schools (including all Labor schools).

^c Schools which receive no financial assistance but which are under supervision.

derived from foreign countries and the other half from local sources, including tuition fees, participation of local communities derived from voluntary self-taxation, and the Government grant-in-aid.

JEWISH AGENCY INCOME INSUFFICIENT

The Jewish Agency, which is the largest single contributor, is finding it increasingly difficult to carry this large financial responsibility. The local communities have been steadily adding to their contributions from year to year; but in the face of a growing school population on the one hand, and the decreasing income of the Jewish Agency on the other hand, no solution of the financial difficulties has been found. The income of the Jewish Agency, depending upon voluntary collections in many different parts of the world, has always been subject to fluctuation and has seriously suffered in recent years with the general deflation of psychology of "drives" and the onset of the economic depression.

A crisis in the school system occurred in 1927, when the teachers' salaries fell over six months in arrears and the Jewish Agency (then the Zionist Organization) appropriation was sharply reduced. From 1927 onward an extraordinary effort was made to balance the budget and to introduce stability into the financial administration. Matters improved, and by September 1929 all arrears had been paid and the teachers were receiving their salaries more or less regularly. This improved condition lasted for a year only, until the Fall of 1930, when the world-wide economic depression began to make itself felt in a radical way on the collections of the Jewish Agency. The appropriation of the Jewish Agency was reduced from LP76,000 for 1930-31 to LP40,000 for the current school

year (1931-32), and the salaries again fell six months behind.

The irregularity in receipt of funds and the recurring "crisis" are playing havoc with the orderly and efficient management of the educational work. It is being realized, more and more, that the school system with its growing needs cannot be made to depend mainly on funds derived from voluntary collections abroad. The prevailing viewpoint among the leaders of the Jewish Agency is that a larger share of the financial burden and the chief responsibility for administration should be transferred to local Palestinian bodies, to the organized Jewish communities, and to the Palestine Government. There are undoubtedly great difficulties in the way, among which are unsatisfactory local organization and an inadequate taxation system. But these and the other obstacles must be surmounted if the Jewish educational system is to be properly administrated.

GOVERNMENT SUPPORT INSUFFICIENT

One of the main obstructions lies in the insufficient support given to education by the Government. Jewish townships and villages wherever organized are straining themselves to give a maximum contribution either in form of local self-taxation or through tuition fees, but not many communities can conduct the educational work without assistance from a central authority. The grant-in-aid from the Government covers only one ninth of the educational costs—considerably less if private schools are included. The Government grant to the Jewish schools is fixed on the basis of the ratio of Jews in the total population. But a far larger percentage of the Jewish children attend school, and calculated in terms of per capita cost, the Government spends roughly LP1 per capita on every child in the Hebrew public

school system and LP5 on every child in the Arab public school system.

The question has been raised as to whether the number of children attending schools ought not, as in other countries, to be included at least as one factor in the determination of the amount of grant-in-aid given in respect of the educational services. It should be evident, however, that the main difficulty does not lie in the method of apportioning the present Government education budget, but rather in the small amount now voted for the educational services as a whole, which is insufficient for the needs of the country. Christian Arabs are fairly well provided for through the various mission schools. But of the Moslem Arabs, only one out of five or six children of school age are in regular attendance in any school, including religious as well as government schools.

Only about six per cent of the Government expenditure is devoted to educational purposes. Government pleads poverty in reply to the demand to increase its allotment to education, but one cannot avoid the feeling that the inadequate consideration given to the educational problem is, in some measure, due to the general conservatism prevailing in colonial administrations in the East with reference to public support of educational and other social services. The Hebrew public school system, like public education in general in Palestine, depends in the last analysis upon more generous support from the Government if it is to be properly maintained and developed.¹

¹ In justice to the Government Education Department it should be said that Mr. Humphrey Bowman, its Director, has repeatedly urged an increase in the educational grant. Sir John Hope-Simpson, Special Commissioner to Palestine to report on various problems of development, has also made a strong plea for increase of educational facilities.

V. THE NON-PUBLIC SCHOOLS AND VARIOUS EDUCATIONAL ACTIVITIES

In addition to the 22,500 children who are enrolled in the schools of the Jewish Agency, over ten thousand Jewish children attend various non-public schools. The most important single group is that of the *Alliance*, which conducts eight schools with three thousand pupils. Hebrew and French are the languages of instruction, and English is now taught in the upper grades of the elementary schools. As already noted, the *Alliance* schools antedate the Hebraic and Zionist movement in Palestine, and they are technically non-Zionists. But among the directors of the schools some have been sympathetic to the Jewish national aspiration, and the schools as a whole have been markedly influenced by the general educational development. The Evelina de Rothschild School in Jerusalem, established by the Anglo-Jewish Association, has also maintained its independent existence and now has an enrollment of about five hundred pupils. The anti-Zionism of this school has yielded in recent years to the pressure of events. The schools founded by the *Hilfsverein*, as indicated above, have passed over to Zionist control and have been completely absorbed in what is now the Hebrew public school system.

Less affected by the modern forces are the Talmud Torahs and Yeshivas, of the orthodox religious types, in which for the most part Yiddish is still the language of instruction; the texts, Bible and Talmud—mainly the latter—being in Hebrew or Aramaic. Hebrew is regarded as a Holy Tongue, not to be profaned through use as a medium of discourse. Practically no secular instruction is imparted, outside, perhaps, of some arithmetic. About three thousand children still attend these schools.

The remaining third of the children in non-public schools are scattered in a variety of private institutions. In nearly all these the language of instruction is Hebrew, and in national outlook these schools do not differ significantly from the general public schools.

AGRICULTURAL AND TECHNICAL TRAINING

Particular interest attaches to the problems of agricultural and technical training, in the light of the long bookish tradition of Jewish education and in view of the practical needs in the rebuilding of Palestine. So far as agricultural training is concerned, satisfactory progress has been made.

A fairly large number of the elementary schools in the colonies include gardening as part of the regular school program, and all of the Labor schools provide opportunities for contact with some form of agricultural work, gardening, dairying, or poultry raising. From the viewpoint of agricultural training of a prevocational type, the Children's Villages, of which there are three,² are most interesting. These are institutions primarily for orphans, in which practical training with an agricultural bias is combined with the general education of the child. The children do a large part of the work themselves in various branches of the farm and the household, under the guidance of the workman-teacher.

The most important institution for agricultural training as such is the Mikveh-Israel Agricultural School, established by the *Alliance Israelite Universelle* in 1870. The school is of secondary grade, graduation from an eight-year elementary course being prerequisite for admission. The course lasts three years, and general subjects are included in the program of studies.

The Women's International Zionist

Organization maintains, as one of its chief activities, an agricultural school for young women at Nahalal, a colony near Haifa, where a two-year practical course is given in the dairy, poultry, vegetable, and three nursery branches. The same organization also maintains several farming groups for young women in various parts of the country, mainly for training purposes.

The Government has begun on the Kadoorie Agricultural School for Jews, which is being erected from funds made available under the bequest of a wealthy Oriental Jew. It may be noted that the Kadoorie Agricultural School for Arabs, made possible by the same bequest, was opened in January 1931.

Despite a variety of activities that may be placed in the category of vocational and technical education, this branch of training is not so well developed, in either character or extent, as the agricultural work. Something is done in the way of manual training in most of the Hebrew schools, and sewing is part of the regular course of studies in girls' classes; but the work is not well organized. There are several special trade schools, one for boys and two for girls. For many years the *Alliance* conducted a trade school in Jerusalem, but it was recently shut down. On the other hand, the American Women's Mizrahi Organization plans to open a school in Jerusalem for training elementary school graduates in domestic science. There are a number of secondary schools, two of these loosely affiliated with the Jewish Agency system, which give commercial training.

The outstanding institution from the viewpoint of technical training is the Hebrew Technical Institute at Haifa, whose stormy beginning has already been noted. Its main department consists of a four-year course in engi-

² One of these has recently been closed.—H.V.

neering or architecture. Graduation from a secondary school is prerequisite for admission. A trade school for metal workers is also conducted for elementary school graduates. In recent years there has been considerable discussion of the work of this institution, with the view of reorganizing its course of study in a more practical direction.

THE HEBREW UNIVERSITY

By some, the Hebrew University is regarded as the crown of the Hebrew educational system. On the other hand, others have opposed its development as inconsistent with the present pioneering stage of Jewish Palestine. But this obvious objection must yield to the realization that a university in Jerusalem, in which Hebrew is the language of research and instruction, is a true expression of the very deep-lying cultural motif in the Jewish Renaissance. The Hebrew University was proposed far back in the early days of Zionism by Professor Hermann Schapira, the founder of the Jewish National Fund, the object of which is to acquire land in Palestine as the inalienable property of the Jewish people. The simultaneous projection of these two ideas was a response to genuinely experienced needs, and for that reason there was no less method in this particular bit of impracticality than there was in the Zionist vision taken as a whole.

The cornerstone was laid soon after the British occupation. The site chosen was Mount Scopus, which commands a magnificent view of the hills of Jerusalem, of the valley of the Dead Sea, and of the Mountains of Moab. The University was formally opened by Lord Balfour in 1925, although certain of the activities were begun earlier. The work was at first confined to research, and a number of institutes

were established: biochemistry, microbiology, mathematics, natural history, and Jewish and Oriental studies. New lines of work have been added: some of the institutes are expanding into departments, and instructional work has developed in connection with several of the institutes. In 1928 a Faculty of Humanities was established and undergraduate work was formally introduced. The first class completed its studies this year, the students receiving Master of Arts degrees.

The Library, in addition to its function of serving the needs of the regular university work, should be mentioned as having a number of independent purposes. It is the outgrowth of the Jewish National Library founded in 1892 by Dr. Joseph Chasnowitz, a physician who used to accept rare books as fees from his patients. The Library now contains about a quarter of a million volumes, among which are valuable manuscripts and incunabula. A reading room with periodicals and newspapers is conducted for the general public, and a quarterly bibliographical review is published.

Already the University can be defended on practical grounds. It offers an open door to students barred from European universities by the *Numerus clausus* and anti-Semitic propaganda. This research work has to a considerable degree been associated with the development of the country, as in the study of indigenous animal and human diseases. The *Wirtschaftsarchiv*, established in 1931, collects and classifies economic information on Palestine and the Near East. The departments of Jewish and Oriental studies also naturally lose their character of esoteric studies and become subjects closely connected with the history of the living peoples of Palestine and nearby countries. To students of

Jewish history, literature, and affairs, the Hebrew University is taking its place as the world-wide center of learning. Undoubtedly it is beginning, if as yet in unseen ways, to play a part in the spread of science and learning in the Near East.

AUXILIARY ACTIVITIES

To this brief outline of the main educational work must be added a mention of some of the auxiliary activities. Physical education and health receive due attention: an intensive system of school hygiene is conducted by the Hadassah Medical Organization; three playgrounds on American lines have been established under the Bertha Guggenheim Memorial Fund; sports are being developed by the Maccabee, Boy Scouts and other organizations, and hiking, introduced by teachers who studied in Switzerland, has been greatly stimulated by historic interest, scenic beauty, and patriotic spirit, and has become a regular feature of the school work. In the field of adult education, the Cultural Committee of the Labor Federation has been most active: there are evening classes for working children, for youth, and for adults; a circulating library of newspapers, periodicals, and books, and a reading center are maintained; automobile trips at holiday seasons are organized; and support is given to an amateur dramatic group, "Ohel," which works along "Little Theater" lines. Noteworthy is the abundance of publications: there are three daily newspapers and a large and varied array of periodicals; and on the average, every day sees a new Hebrew book come off the press.

VI. RELATIVE ACHIEVEMENT

The foregoing description of Jewish educational activities will probably

convey the impression that the Jews of Palestine are well provided with educational opportunities. Indeed, Sir John Hope-Simpson, in his Report on Immigration, Land Settlement and Development, says "magnificently provided," and goes on to contrast with a strikingly different picture of Arab education, particularly in rural communities. All this is true, but in a relative sense only. The Jewish achievement may be termed "magnificent" if we bear in mind that it has been accomplished through voluntary effort, with little assistance from Government. To those who know its inner history, the upbuilding of the Jewish educational system in Palestine represents a remarkable victory for the creative spirit of the Zionist ideal.

To the educator who judges not by comparison with the general educational neglect in Oriental countries, but in accordance with a moderate European or American standard, much will appear wanting. Every aspect of the situation has its negative as well as positive aspect. Apparently almost all Jewish children receive an elementary education; but about two thirds of those entering the first grade drop out before they reach the sixth grade, while a full third of the children receive only three years' schooling.

The Hebrew public school system may appear well unified, but as a matter of fact, it has been developed by affiliation of schools founded by other organizations, and the variety of origins has left distinct marks. Furthermore, the diverse social and religious viewpoints constitute a strong strain on unity of organization, and the Department of Education has nothing like the degree of authority which its name might imply.

Looked at from the pedagogical point of view, similar contradictions would be found. There are, indeed,

examples of fine teaching, and certain schools would rank above the average American public school. But the teaching staff represents all degrees of training and of lack of training, and some of the instruction is not so very far removed from that customary in the unorganized medieval Heder.

From one point of view the renaissance of Hebrew as the living tongue of the Jews in Palestine is to be accounted the prime educational achievement; on the other hand, the lack of textbooks and adequate literature has undoubtedly acted as a serious educational impediment.

Finally, the voluntary character of the support, fluctuating and inadequate as it is, naturally constitutes an unending source of difficulty for the proper management and orderly development of the school system.

These and other internal difficulties which loom large to those who are responsible for the school work are hardly the subjects for discussion in this short general article, but a mention of them was thought necessary to avoid giving a false picture of perfection that might have resulted from brief summarizing. There is still a great deal to be done before the Jewish school system in Palestine is brought up to a normal modern standard.

VII. RELATIONS OF EDUCATION TO THE JEWISH-ARAB PROBLEM³

First should be emphasized the importance of a problem that has already been touched upon, namely, the disparate standard of Jewish and Arab—particularly Moslem Arab—education. The grading up of the general level of education among Moslems to that prevailing among the Christian and Jewish sections of the population is an essen-

tial element in the problem of relations between the various communities. This may be stated, objectively, as the need of a compulsory system of elementary education of moderate level, supported by the Government.

It is true that widespread elementary education is likely to foster a patriotic spirit and to promote the more rapid development of Arab nationalism. But such a development is in any case inevitable, and in the writer's view desirable as a necessary stage in the evolution out of a feudal system of organization, with all its social consequences. The Jewish-Arab living together must be worked out as a relation between two peoples both equally advanced in enlightened national self-consciousness. This is demanded not only by a humanitarian outlook, but also by an intelligent selfishness on the part of the Jews.

The juxtaposition of a largely illiterate population with a highly literate one is bound to create difficulties in many directions and is bad for both sides. From the economic point of view, the presence of a large source of cheap labor, in the illiterate adult, male and female, and in the child deprived of schooling, constitutes the greatest danger to self-respecting Jewish labor. At the same time, the lack of elementary education is one of the chief difficulties in the way of the Arab's improving his methods of cultivation and his economic position generally.

An illiterate population, furthermore, is subject to the wildest kind of propaganda, such as is now being developed again in connection with the Moslem Holy Places. Literacy, it is true, may facilitate spread of propaganda, but it is bound also to affect its character and to reduce the likelihood of religious fanaticism and of outbursts of violence. Certainly, popular education is a safeguard of security.

³ The views expressed in this section are purely personal opinions, and sole responsibility for them rests with the writer.

Finally, self-government must prove a travesty if not accompanied by universal elementary education. Jews and Arabs, therefore, have a common cause in urging the establishment of an adequate system of elementary education.

SEPARATE SCHOOL SYSTEM NECESSARY

Americans are prone to decry the existence of separate school systems for Arab and Jew and to transfer to the Palestinian scene their own principle of a common public school system for all classes, races, and religious groups as a means of improving the relations between the communities. This is a basic error. It is of the essence of the matter to realize that we are dealing with two peoples distinct in religion, language, and history, and that the whole problem arises because each group wishes to maintain its national and cultural identity. The Jews would not accept Arabic as the common medium of instruction; needless to say, the Arabs would not accept Hebrew; and neither Arabs nor Jews would accept English as such. The concept "Palestinian Nationality" can have an economic, political, and civic significance, but culturally speaking, it is a pure abstraction. The relationship must be worked out in terms of two distinct peoples, coöperating with each other. It is neither necessary nor practical to think in terms of reducing both peoples to some nonexistent common denominator.

Two parallel systems of education, therefore, are indicated by the conditions—one Arabic and the other Hebrew. Both systems should be under Government supervision, but not necessarily conducted by Government. I believe the wiser policy for Government would be to confine its supervisory function to matters of finance, sanitation, hygiene, and orderly man-

agement, and to the very minimum of universally recognized educational requirements, granting the widest latitude to each group in working out its educational program and trusting it to find the best pedagogical procedures. There are well-recognized dangers, educational and political, in such a policy of autonomy in the educational administration; but it appears to be the only wise way in the long run. In any case, the teaching process is a subtle affair, and the danger of utilizing the schools for intriguing and subversive political propaganda cannot be prevented even though the Government control the schools. This can be avoided in the last analysis only through establishment of good relations in the country as a whole, among the various communities and in relation to the Government.

MUTUAL ACQUAINTANCE WITH THE OPPOSITE GROUP

That each group should know the language, the literature, and the cultural history of the other is most frequently put forward as the best educational means of promoting mutual respect and coöperation. In this connection it is emphasized that Hebrew and Arabic are cognate, that the two groups have racial affiliations, that Jews were in the past the mediators between Arab and European culture; in short, that the two groups are culturally and racially kin, and that the more they know of each other, the more friendly will be the mutual attitude.

As a matter of fact, Arabic is taught in all Hebrew secondary schools and in a few of the elementary schools of the Jewish Agency, and in all schools of the *Alliance Israelite Universelle*. A not inconsiderable portion of the native Oriental Jewish population learn Arabic either at home or on the streets. The School of Oriental Studies at the

Hebrew University has established, as its first step, an Arabic Department; and the University Library has purchased the Goldzieher Library, one of the finest collections of Arabica and Islamica in the world. This would indicate on the part of the Jews a very serious interest in the Arabic language and culture, despite the fact that no such interest has been shown by Arab circles in Hebrew and its literature.

Unquestionably, it is desirable that Jews become intimately acquainted with Arabic language and literature, modern and classical, and more, not less, should be done in this direction. However, doubt may be expressed as to whether acquaintance with Arabic culture has the decisive importance that many seem to believe. The common elements in the Jewish and Arab racial and cultural heritage can easily be exaggerated. But the main point is that peoples are not much bound together by common elements in their past; the prime factors are, rather, common conditions and interests in the present, and common purposes and destiny in the future. Common cultural origins among Germanic or Romanic nations, for instance, have not greatly mitigated conflict in the presence of diversity of economic and political interests. Is it not more likely that community of culture and feeling may be found along the lines of modern European achievement in art and science, and that common aspiration may be strengthened by European social-economic movements, rather than that these things should come by way of racial and literary affiliations in the past?

In this connection it is not infrequently proposed that Arabic should be made compulsory in the Jewish elementary schools, as well as in the secondary schools. At present, English is taught in upper grades and it the only foreign

language prescribed in the elementary schools. It should be understood that a difficult technical problem is involved, for the elementary school is already overburdened with subjects in the attempt to unite a Hebrew with a modern education, and the teaching of more than one foreign language in the elementary schools is not desirable.

A categorical answer to this problem with all its practical and theoretical difficulties is not easily given. One might ask, thinking along the line of the argument in the preceding paragraph, whether more may not be really gained in the way of promoting a community of ideas by giving all children, Jewish and Arab, a direct contact, through English, with modern European science and thought, than would be obtained by having all the Jewish children study Arabic. Perhaps the best solution is to allow schools to choose either Arabic or English, depending upon local needs. That a portion of the Jews should know Arabic is essential; but that all of the Jews should is not absolutely necessary—certainly not more so than that all Swiss should know French, German, and Italian.

NATIONALITY VERSUS NATIONALISM

The crux of the matter rests in the question of what each group conceives to be its destiny in Palestine. If Jews and Arabs are to cooperate harmoniously in a future Palestinian society, then each nation must interpret its nationalism in accord with that school of thought in which a strict differentiation is made between *nationality* and *nationalism*, parallel to the distinction between *individuality* and *individualism*. Nationality has to do essentially with the social and cultural self-expression of kinship conscious groups, and therefore differs radically from (in some senses is diametrically opposed to)

nationalism, in which political sovereignty, with its inevitable concomitant of domination of one group by another, is an indispensable element. A finely adequate statement of what nationality in this sense signifies is given by Professor Clarke,⁴ who deals with the problem of harmonizing a national with an international philosophy of education. He says:

The way of salvation lies through a re-statement of national philosophy in its proper cultural terms. Professor A. E. Zimmern has defined a nation as "a body of people united by a corporate sentiment of peculiar intensity, intimacy and dignity, related to a definite home country."

There is nothing definitely political in this; sentiment, *idem sentire*, is of the essence of it. The common sentiment informs and draws sustenance from a whole way of life, and it is this way of life conceived as a scheme of values, which constitutes the nation's philosophy of education. To have free and full play for its language (or languages—nationality is not necessarily monoglot); to express itself freely in a literature; to choose for itself its reverences and sanctities and observances; to cherish in its own way the tombs of its ancestors; to live and die in accordance with its own use and wont; to eat, drink, sleep, marry and give in marriage according to its own chosen habit, and to change the habit if it chooses: such are the prerogatives of nationality. All are of the stuff of culture, not of politics, and in an intelligently or-

dered world not one of them should need for its security the organization of the nation as a state-unit in the old sense of independent sovereignty.

To the Jewish mind, such a conception should be most welcome. The Jews are a nation in the essentially non-political sense of the cultural nationalist philosophy. This philosophy, under the name "Cultural Zionism," has found clear expression in the writings of Ahad Haam, revered master in modern Hebrew literature, and constitutes one of the recognized views in the Zionist movement.

Unfortunately, the forces of moderation have been weakened by Jewish experience in the last decade. The failure of internationally sanctioned minority treaties in Eastern Europe to prevent the Jews from being crushed out of life by social abuse and economic restriction; the Arab excesses in Palestine and the development of Arab nationalism along extreme political lines; the British Administration's coolness toward the Jewish national home, disappointing the hopes of even the most moderate—these forces are working to strengthen the hands of those who hold that only through complete statehood can the Jews safeguard their rights to live as a people.

Much will depend upon what concept of nationalism is imparted by the teachers in the schools. And it must be emphasized that the duty implied falls upon Arabs as well as Jews.

⁴ In the 1929 Educational Year Book of the International Institute of Education: Teachers College, Columbia, pp. 79-80.

Dr. Isaac Baer Berkson, member of the Palestine Executive of the Jewish Agency for Palestine, was formerly director of the Department of Education of that Agency. Born and educated in the United States, he has since 1917 been engaged in educational activities, as director of the Central Jewish Institute, New York; supervisor, Schools Bureau of Jewish Education, New York; supervisor of instruction, United Jewish Schools of Philadelphia; etc. He is the author of "Theories of Americanization" (1920).

Education in Palestine

By KHALIL TOTAH

SCHOOLS in Palestine are of three types, viz., Government schools, private schools managed mostly by foreign societies, and Hebrew schools. As the last type is treated separately elsewhere in this volume, this discussion will be confined to the first two categories.

GOVERNMENT SCHOOLS

Education in Palestine is in the hands of a Government Department of Education which, in the words of its official report (1929-30), "fulfills a triple function. In the first place, it supervises education in general, advises the Central and District Government authorities, inspects schools, Government and non-Government, distributes grants in aid, collects and collates statistical information, and conducts, controls, and supervises examinations. . . . Next, it administers and maintains out of public funds the schools of the Arab system, known as Government schools, employing therefor a considerable staff of teachers. Lastly, it controls by inspection and otherwise the Jewish public system to which a block grant in aid¹ is assigned from public revenues."

The department of education is administered by: one director; one deputy director; one supervisor of technical education; one principal, Government Arab College; one principal,

Women's Training College, and inspectress of girls' schools; two senior inspectors; one superintendent of physical training; one chief clerk; three headquarters inspectors; five district inspectors (Galilee, Samaria, Southern, Jerusalem, Hebron); and four assistant district inspectors; making a total of twenty-one, and excluding three inspectors for Jewish schools. Associated with them is a clerical staff of fourteen. Of these, the director, the deputy director, the supervisor of technical instruction, the principal of the Women's Training College, the superintendent of physical training, and the chief clerk are British. With these officials holding the most responsible posts, it may be safely stated that the control of the policy is in British hands. The director is appointed by the High Commissioner for Palestine, who in turn is appointed by the Colonial Office in London.

Finance—

The Department of Education is financed by funds raised from taxes. The Government allots a certain sum to education, as it does to its other departments, such as agriculture, public health, public works, and so forth. The educational budget has been on the rise, in late years, as is shown by comparing the budget of 1923, which was £97,279 (\$486,395) or 5.94 per cent of the whole budget for Palestine, with that of 1930, which amounted to £150,156 (\$750,280) or 6.52 per cent. The average budget for the last eight years has been £118,109 (\$590,545), which is 5.51 per cent of the total budget. How this compares with the

¹ The sum payable was calculated on the proportion of Jews to Arabs in the census population. On this basis, the amount of the contribution to all Jewish schools was fixed provisionally at about twenty thousand pounds (\$100,000). Annual Report of Dept. of Education 1929-1930, p. 7.

educational expenditures of other countries is shown below:²

TABLE I

Country	Per Cent	Country	Per Cent
Argentina.....	24.6	Greece.....	5.6
Australia.....	9.4	Japan.....	10.0
Austria.....	6.6	Mexico.....	8.5
Belgium.....	9.0	Poland.....	16.0
Bulgaria.....	12.0	Rumania.....	12.0
Denmark.....	19.8	Spain.....	6.0
Egypt.....	7.5	Sweden.....	18.0

With no army and navy to support, it would seem that the Palestine Government might be able to make a more liberal provision for so vital a matter as education.

Number of schools and pupils—

For 1931 the Department of Education reported 308 schools, 589 male teachers, 155 female teachers, 19,346 boys, and 4,942 girls, making a total of 744 teachers and 24,288 pupils.³ Of the 308 schools, 255 are in the villages. Roughly, this means that one village in four is furnished with a school for boys, while only one village in a hundred enjoys a school for girls. One regrets to note that there are but eight village girls' schools, with a total enrollment of 669.⁴

According to the 1931 census there are 850,559 Arabs in Palestine. Assuming that 15 per cent of this population would be children of school age, there would be 127,583 children to be educated. Of this number, the Department of Education has 24,242 pupils in its schools, and the Christian and Moslem schools together report 23,797 in theirs, thus leaving 79,544 unfortunate children to grow up illiter-

ate. In other words, the Government schools are giving a rudimentary education to about 19 per cent of the Arabs.

The Director of Education is aware of this situation and states in his report that "the shortage of accommodation which has for long been felt has now reached a serious stage"⁵—indeed, so serious as to make it necessary for the parents and the children who were refused admission two years ago to make a demonstration in front of the offices of the Governor of Jerusalem. The report adds: "In September 1930 places in town schools could be found only for 2,422, viz., 51.18 per cent of the applicants. The shortage of accommodation in Government schools is causing grave concern to the Department."⁶ So, after an occupation of thirteen years, or after a decade of civil administration, the Government states that "no complete new school has been erected from general revenues since the occupation."⁷

Training of teachers—

The Government maintains two institutions, one for men and the other for women, where teacher training is done. The Government Arab College for men is a four-year complete secondary school leading up to the Palestine Matriculation and then devoting the fifth year to teacher training. In 1930, eighty-two students were enrolled, and "of the students who completed the fourth class in July 1930, seven were selected for training."⁸ The report states further that "for financial reasons, the numbers at present are limited to those necessary for replacement of casualties in the existing teaching *cadre*."⁹

⁵ Report for 1929-1930, p. 24.

⁶ *Ibid.*, p. 21.

⁷ *Ibid.*, p. 24.

⁸ *Ibid.*, p. 27.

⁹ *Ibid.*, p. 11.

² *New York Times*, Oct. 7, 1929.

³ Annual Report of Dept. of Education 1930-1931, Appendix, Table XXV.

⁴ *Ibid.*, Table IV.

The Women's Training College is a combination of an elementary and a secondary school where woman teachers are trained. "The syllabus and the course covered in the lower classes are those of a higher elementary school, while the two upper classes are of secondary standard, with the addition of the theory and practice of teaching."¹⁰ The college enrolled 63 students in 1930.

Secondary education—

"The only Government school providing a complete secondary course (four years) is the Government Arab College."¹¹ In Jaffa there is a secondary school with the first three secondary classes. Besides these two secondary schools, there are the first two years of a secondary course in nine of the towns, where such secondary instruction is given. An annual fee of £3 (\$15.00) from well-to-do pupils attending secondary classes is charged. The number of teachers with degrees is increasing in the secondary classes. Practically all are secured from the American University of Beirut.

Curriculum—

It is evident from the above statement regarding secondary education that it is elementary instruction that proves the major task of the Government. It is difficult to measure objectively the quality of teaching where there are as yet no common standards, but the following course of study may give one an idea as to the type of work done.

Agricultural and technical education—

Through the generosity of a private Jewish donor, the Government has established the Kadoorie Agricultural School. It opened in January 1931 with forty resident pupils following two courses of study, one of three years' duration and the other of one year. The American Near East Foundation is making a grant of £1,000 (\$5,000) a year for two years to train rural teachers in agriculture. This institution is sorely needed and it is hoped that it will form a nucleus for extended agricultural education.

The new syllabus which was designed to meet the needs of rural Palestine

TABLE II

RURAL SCHOOLS			
Subjects	Year		
	1st	2nd	3rd
Religion and Reading of Koran.....	6	7	9
Arabic.....	12	12	11
Arithmetic.....	6	6	5
Hygiene.....	2	2	2
History and Geography.....	3	4	4
Nature Study.....	2	..	..
Physical Training.....	1	1	1
Drawing.....	1	1	1
Agricultural Instruction.....	..	6	6
Hand Work.....	..	..	..
Total Weekly Lessons.....	34	39	39

¹⁰ Report for 1929-1930, p. 12.

¹¹ *Ibid.*, p. 10.

TOWN SCHOOLS						
Subjects	Year					
	1st	2nd	3rd	4th	5th	6th
Arabic Language.....	11	12	9	9	8	8
Arithmetic.....	5	5	5	5	5	5
History and Geography...	2	3	2	2	2	2
Nature Study.....	2	2	1	1	..	..
Hygiene.....	1	1	1	1	..	..
Science.....	..	..	..	..	2	2
Drawing.....	2	2	1	1	1	1
Manual Work.....	..	..	..	..	2	2
Geometry.....	..	..	..	..	2	2
English.....	..	..	8	8	9	9
Religion.....	..	3	1	1	1	1
Physical Training.....	..	3	1	1	1	1
Total Weekly Lessons...	23	31	29	29	33	33

SECONDARY SCHOOLS				
Subjects	Year			
	1st	2nd	3rd	4th
Religion and Ethics.....	1	1	2	1
Arabic.....	7	7	5	5
English.....	10	10	8	8
History.....	3	3	3	4
Geography.....	2	2	2	1
Arithmetic, Algebra, Plane Geometry, Trigonometry.....	8	8	6	5
Physics.....	2	2	5	5
Chemistry.....	1	1	3	3
Botany.....	1	..	..	..
Zoölogy.....	..	1	..	..
Manual Training.....	..	..	2	2
Total Weekly Lessons.....	35	35	36	34

was put into practice in eighty-nine schools. A period a day is devoted to agriculture in the second and third elementary years.

Sericulture has been introduced in nine schools and demonstrations have been made for the benefit of the inhabitants. Twenty-six teachers were given a course in sericulture during the breeding season, and some 2,200 mulberry trees were planted in 36 village schools.

School gardens in the urban centers, an annual Arbor Day for the country, and an annual Wild Flower Competition have been added features of the agricultural program of Government schools.

For technical education a supervisor has recently been appointed to develop this branch of training. A month's course was given to forty-two teachers during the summer vacation. The

subjects taught were chalk drawing, clay modeling, drawing, and light wood work. Weaving, bookbinding, carpentry, and iron work have been introduced in some of the town schools.

NON-GOVERNMENT SCHOOLS

The non-Government schools are bewildering in their variety of language of instruction, church affiliation, nomenclature, standard, and character. Yet they can be said to have one feature in common, and that is the religious motive. Of course that is natural, for what country is more intimately associated with the fountain-head of religion than the Holy Land? Divergent as the non-Government schools may be in everything else, they are united in their religious aim and general character. Palestine being the Land of the Three Faiths, its non-Government schools range themselves nicely into three categories—Jewish, Christian, and Moslem. The following figures may show the general extent of this non-Government educational activity.

TABLE III ¹²

	No. of Schools	No. of Pupils	Per Cent
Jewish.....	377	33,527	40.8
Christian.....	181	17,080	20.7
Moslem.....	137	7,319	9.
Total.....	695	57,926	70.5
Government Schools.....	308	24,288	29.5

Thus it is clear that over two thirds (70.5 per cent) of the pupils that attend school in Palestine are in what might be called private schools, only nominally controlled by the Department of Education.

¹² Compiled from Annual Report of Dept. of Education 1930-1931, Appendix, Table XXV.

Christian schools—

The various nationalities of the societies governing these non-Government Christian schools are as follows:

TABLE IV ¹³

	Schools	Pupils
French.....	38	4,709
British.....	21	2,027
German.....	18	1,851
Italian.....	13	1,751
American.....	8	421
Swedish.....	1	159

According to church affiliations, they are:

TABLE V ¹⁴

	Schools	Pupils
Catholic.....	102	10,210
Protestant.....	50	4,281
Greek Orthodox.....	27	2,504

The earliest Christian education in Palestine was carried on by the Greek Orthodox Church. Such education may be said to have been Byzantine in origin. Catholic influence in Palestine came with the Crusades and was given new life by the treaties of Francis I and by the Crimean War. Protestant institutions also profited from the War. England, France, and Italy, having supported Turkey against Russian ambitions in the middle of the nineteenth century, reaped many a favor and concession to build churches, start missions, and establish schools.

The two churches of Western Christendom, the Catholic and the Anglican, are mostly responsible for the educational activity in Palestine. Thus, Christian schools in the Holy Land are Catholic and Protestant: in terms of culture, they are Latin and Anglo-

¹³ *Ibid.*, Table XIX.

¹⁴ *Ibid.*, Table XV.

Saxon. France and Italy support the former type, while the latter is maintained mostly by British, American, and German agencies.

The Catholic schools have played and still play an important rôle in the educational life of the country. As was shown above, 102 Catholic schools were reported with 10,210 pupils, while the Protestant schools number 50, with 4,281 pupils. The work is carried on by several agencies and orders of the Church, viz.: Frères des Écoles Chrétiennes, Soeurs de Notre Dame de Sion, Soeurs de St. Joseph de l'Apparition, Franciscan Fathers, Salesian Order, and Latin Patriarchate.

Educationally, the most influential of these have been, perhaps, the "Frères" schools, which are found in Jerusalem, Jaffa, Haifa, and Bethlehem. Especially before the War, French education and culture were in demand in the Near East. The aristocracy spoke French, aped French manners, and sent their children to French schools; hence the popularity and influence of these institutions. The "Frères" still educate a large number of boys and fit them for the commercial and social urban life of Palestine. They do elementary and secondary work. Since the War, another Catholic secondary school has been added to the list through the funds of Cardinal Ferrari, and is now under the control of the Franciscan Fathers. Several orders maintain schools for girls where French, music, and embroidery are taught. Notable are the many institutions of a charitable nature, chief among which is the work done by the Sisters of Charity. The Salesian Order has schools at Haifa, Jerusalem, and Bethlehem, and a unique agricultural school at Beit Jemal—a short distance from Beth-shemesh of the Bible. The Latin Patriarchate has elementary parochial schools in many of the towns

and villages in Palestine and Trans-Jordan. The Schmidt Girls' School maintained by German Catholics is worthy of mention. Finally, it is safe to state that the Catholic Church is the most active Christian agency in Palestine and perhaps the most influential politically, which has some bearing on the extent of her education.

Protestantism entered Palestine and Syria rather late—the first quarter of the nineteenth century. It, too, enjoyed greater freedom for action with the conclusion of the Crimean War. Of Protestant educational factors in Palestine, the Anglican church deserves the greatest credit. In 1853 Bishop Gobat School, the oldest boarding school in the Holy Land, was established, and it has been serving the country for over three quarters of a century. The "Preparandi" School, a sister of Bishop Gobat School, which later became the English College, served the Arabic language as no other institution in Palestine has done. Its late disappearance, due to financial difficulties, is a great loss. Besides these two institutions, the Anglican Church Missionary Society has contributed much toward the spread of education. Before the War it had a school in practically every large town and in many of the villages. These schools, too, have suffered on account of financial reverses.

The Anglican bishopric of Jerusalem is supporting three influential schools—St. George's in Jerusalem for boys, the Jerusalem Women's College, and the Haifa School for Girls. The Jerusalem Women's College is the best girls' school in the country. It has a good staff of teachers and prepares the young women for the Matriculation and Intermediate examinations of English Universities. It also has a department for the training of teachers.

Of unique significance is the tech-

nical school managed by the German Protestants. Its official title is *Evangelisches Verein für das Syrische Waisenhaus* or the Syrian Orphanage. It was established about 1860 to care for the orphans of the Lebanon massacre and later for the orphans of the Armenian massacres. Today, it has 233 boys and 52 girls to whom it is giving an elementary education plus training in some trade such as carpentry, blacksmithing, printing, and so forth. A branch for the blind is also maintained. Herr Schneller, the veteran director, with his two sons who are now directing the school, may be called one of Palestine's benefactors.

By Americans, perhaps the best established educational effort is that carried on by the Society of Friends (Quakers) at Ram Allah. Started in 1868 by Eli and Sibyl Jones, associates of the poet Whittier, the work has developed into two boarding schools, one for boys and the other for girls, and twelve village schools, which of late have dwindled to two for financial reasons. Besides academic work leading up to the university, domestic science is offered to girls and agricultural training is contemplated for boys.

The Christian Missionary Alliance has had schools for boys and girls, which have lately been turned into training schools for religious workers.

American educational influence in Palestine, however, does not rest with these few institutions. It operates indirectly through the training of leaders in the American University of Beirut and that of Cairo. In 1931 there were 284 Palestinian students at Beirut and 30 at Cairo. An increasing number of physicians, dentists, pharmacists, lawyers, and secondary school teachers working in Palestine have received their education at the American University. Many of the Government officials in the administrative

branch are graduates of the same university.

Scotland is represented through its school at Safed in Northern Galilee, where, besides secondary education, some college work is done. The Scotch have schools also in Jaffa.

Sweden claims a share in the education of Palestine, as it is responsible for a school in Jerusalem.

National schools—

By this term is meant schools supported by funds raised in Palestine and administered by Palestinians. In this respect they are indigenous, having their roots in the soil of the country, in contrast with the missionary schools, which are subsidized and controlled by foreign societies. There are Christian and Moslem schools that come under this category. Those under native Christian care are:

TABLE VI

	Schools	Pupils
Greek Orthodox Patriarchate.	15	1,163
Syrian Orthodox Patriarchate.	2	100
Orthodox Charitable Societies.	4	589
Protestant Native Community	1	61
Ram Allah National Schools.	2	200

In addition, there are the schools of the Greek Catholic Community in the vicinity of Haifa and Acre, which, however, are not reported.

Moslem schools—

In view of the fact that 87.5 per cent of the pupils in Government schools are Moslems, the above title may require explanation. Though the Government schools are attended mostly by Moslems, there are 94 schools with 5,644 pupils that are independent of the Government. They are supported from private religious endowments left by pious Moslems, and administered

either by local committees or by the Supreme Moslem Council. Most of them are of an elementary nature except Rawdat-al-Maarif in Jerusalem and Al-Najah in Nablus (ancient Shechem), which are secondary. Humble as these elementary schools may be, they can boast of independence and self-respect. Their funds come from the soil, they are not foreign, and their management is native. These, as well as the Christian national schools, are considered by the Arabs as "national" institutions, and therefore the bulwark of Arab patriotism. One should like to see them more adequately financed and better administered, as they represent a healthy consciousness of independence and self-support. Among them is a trade school under the control of the Supreme Moslem Council.

CRITICISM OF GOVERNMENT EDUCATION

The Arabs of Palestine are quite emphatic in their criticism of the Department of Education. They contend that it is "foreign" and therefore hostile to their political aspirations. They argue that the general policy of Government education is to bring up a generation which is to be docile and subservient to imperialism and its chief attendant evil, Zionism. More than once have the Arabs of Palestine demanded the control of this most pivotal department, but without success. The Government knows only too well that if the schools were in Arab hands they would become hotbeds of antagonism to the British policy, the Balfour Declaration, and perhaps the existence of the Mandate itself.

The Education Ordinance of 1932¹⁵ takes cognizance of this fact when it gives the Director of Education authority to require "the dismissal of any

teacher, whether in a public school or assisted school or in a non-assisted school, who has been convicted of imparting teaching of a seditious, disloyal or otherwise harmful character."

The Department of Education is often accused of being overstaffed, overpaid, and much too British. A case might be made for overstaffing were it not for the fact that Palestine is too small an administrative unit, which necessitates a greater overhead, not only in education but in other branches of government as well. However, this is really a political issue and cannot be laid against the Department of Education. As to overpayment, it may be remarked that the scale of salaries, especially to Britishers, is greater than the resources of the country justify. The High Commissioner, e.g., receives from Palestine taxes £7,210 (\$36,050).¹⁶ The Director of Education, like the heads of the other departments, receives a salary of £1,200 plus £200 as what is called an "expatriation allowance." He is also allowed something towards travel and house rent. In addition, there is a pension. Thus it may be safe to estimate that the Director of Education costs the country two thousand pounds, or ten thousand dollars, a year. The deputy director receives a maximum of £1,050 plus £150 "expatriation allowance."¹⁷ This salary is equivalent to \$500 a month, to say nothing about the pension, travel allowances, house rent, and so forth. Whether these figures seem large or small in Europe and America, they sound fabulous to Palestinian ears. Moreover, it is doubtful if any of the British officials could get such salaries in England.

Compared with this scale of remuneration is that of the teaching staff, which is as follows. Untrained

¹⁵ *Official Gazette*, Feb. 16, 1932.

¹⁶ Palestine Blue Book for 1930, p. 67.

¹⁷ *Ibid.*, p. 110.

elementary teachers are paid £60 or \$300 per annum and may reach £168 (\$840) as a maximum. College trained elementary teachers begin with £108 (\$540) and stop at £168 (\$840). College graduates start with £168 (\$840) and may reach the maximum of £480 (\$2,400).¹⁸

With regard to the "Britishness" of the Department, it is sufficient to point out that the director, his deputy, supervisor of technical instruction, supervisor of physical education, the principal of the Women's Training College, and chief clerk are British. The *number* of Britishers, however, is not of so much importance as the responsibility attached to their posts.

With a political policy for which this Department is not responsible, however; with an Arab population which is hostile to such a political policy and seizing every opportunity to incite its youth to defy it; with "politics," three official religions, three official Sabbaths, and three official languages to interpret; with innumerable feasts and "holy days"—no wonder that a bigger staff and more money are needed than in a more homogeneous and normal community.

INADEQUATE EDUCATIONAL EXPENDITURE

The educational budget is unquestionably inadequate for the needs of Palestine. Jewish provision for the education of Hebrew children approaches the standards of civilized countries, and should guide the Palestine Government's expenditure for Arab children. In such a case it would have to spend £800,000 (\$4,000,000) a year for schools, instead of £150,000 (\$750,000). When the Government needed funds for the construction of a port at Haifa, it borrowed over a million pounds for the purpose. Might it

not do the same for the extension of education, which is as necessary as a harbor to the life of the 90 per cent illiterate population? One wonders whether this "stepmotherly parsimony" to education may not be partly responsible for the huge and disproportionate expenditure of £475,850 (\$2,379,250) on police and prisons.¹⁹ Guizot's words, "open a school and close a prison," may be relevant to this situation.

Moreover, whereas the Government draws its revenues from taxing everybody, it furnishes education to only 29.5 per cent of those who attend school at all. The 70 per cent, besides paying taxes, are obliged to submit to another tax in the form of tuition fees to private schools. As was stated above, the Government of Palestine is furnishing educational facilities of a simple type, to less than one fifth of the Arabs; 51.18 per cent of those who apply for admission are turned away. An estimated number of 79,544 unfortunate children are denied the most rudimentary education. The neglect of girls' education is equally inexcusable. The rural population, which constitutes nearly two thirds of all the inhabitants, is provided with eight schools for girls.

Perhaps it is to overcome this obstacle that the Government has furnished the Director of Education with power to require local authorities to open schools and maintain them. "If Local Education Authority fails to collect a rate adequate to maintain the school or schools within its area," says the recent Education Ordinance, "the High Commissioner in Executive Council shall have power to impose and to enforce payment of the necessary rate as if it were a Government tax." This, in reality, would constitute a fourth burden on the already overtaxed

¹⁸ Annual Report.

¹⁹ Blue Book, 1930, p. 67.

peasant, as he pays a Government tax, which is supposed to give his children an elementary education, the local tax, possibly tuition fees to private schools for lack of Government schools, and lastly this new educational tax. One would be more fearful of the consequences of this Ordinance on the peasant were it not for the faith in the British genius for sense and moderation.

TEACHER TRAINING AND SECONDARY EDUCATION

Teacher training, which is so essential to the quality of teaching, is limited to the "replacement of casualties," with the Government. Seven students were under training in 1930 in the Government Arab College, and 63 students attended the Women's Training College. That such a number is pitifully small for an Arab population of about three quarters of a million cannot be denied. A notable contrast is the Zionist report of four training colleges with 500 students.

While the Department of Education maintains one complete secondary school, 25 secondary classes in different towns, and an enrollment of 353 students, the private schools have 97 secondary classes with a total of 1,283 students. There are 34 girls doing secondary work in Government schools and 348 in private institutions.

One would forgive the Government for its lack of enthusiasm for secondary schools if it would exert more energy for elementary and vocational education. The product of secondary schools demands clerical posts, which are scarce, while elementary education followed by the vocational may be so given as to create a class of producers instead of comparative parasites.

INFLUENCE OF CHRISTIAN SCHOOLS

The non-Government schools, which are preponderantly Christian, have had

and still have tangible influence on the country. Without the graduates of these schools, e.g., the Government would find the administration of Palestine more difficult. Thus the Government, in view of its inadequate facilities for education, has reason to be grateful to these Christian schools for sharing with it the responsibility of educating the country. There are about 23,000 pupils in Government schools and about 15,000 in Christian schools. For sharing the educational burden, private schools receive four shillings (one dollar) per elementary pupil and ten shillings (\$2.50) per secondary student per annum.

Missionary schools are often criticised by both Moslems and Christians. The former accuse them of "missionarizing," which is perhaps a milder form of proselyting, and the latter complain that the postwar tuition fees are too heavy.²⁰ Moreover, the feeling is quite universal that, in spite of their service, mission schools are detrimental to Arab solidarity. Like the Government schools, they are controlled by foreigners and are said to be lacking in zeal for Arab nationalism. Some are even accused of being political propagandists for their own governments. It is pointed out, e.g., that French schools emphasize French history and geography more than they do Arab; that American schools exalt American customs more than they foster Arab culture and native manners; that Italian schools serve Italian rather than Arab interests; and that German education is conducive to loyalty to Germany instead of love for Palestine.

These mission schools use a foreign language as the medium of instruction; the headmasters are usually foreigners, and the atmosphere is likely to be

²⁰ The usual fees charged for tuition, board, and lodging are about £40 (\$200) per annum.

foreign. The general effect is bound to lead to confusion and variety instead of national unity. Whether it is intended or not, one cannot deny that a conglomeration of French, British, Italian, German, and American schools reflecting their own culture, consciously or unconsciously stressing their own religious beliefs, and teaching their respective languages, is bound to have a denationalizing and disintegrating effect.

NEED FOR PRACTICAL EDUCATION

Intelligent educational opinion in Palestine is aware of the futility of a "bookish" education for a country which is mostly rural. Both the Government and non-Government systems are guilty of the tendency to produce a class of "white-collar-job" seekers, many of whom are unemployed and unemployable.

Next to finance, perhaps, this is the crux of the educational problem in the Holy Land, where education, elementary though it be, seems incompatible with manual work. A Palestine peasant was once heard to exclaim: "What! do you expect my son to work—he can read!" Thus, before Palestinian eyes could become accustomed to the strange sight of a literate community earning its daily bread by the sweat of its brow, they would have to undergo a surgical operation. Leadership in this direction should come from the Government.

All schools in Palestine need a radical change in their courses of study. Rural education should be overwhelmingly agricultural, and town schools distinctly vocational. Rural education, what there is of it, needs a thorough conversion from a sterile exercise of memory into a fruitful contact with Mother Earth. To carry out such a policy, rural schools would have to

be surrounded by many acres of land and instructed by an army of teachers who themselves were agriculturists, and neither afraid nor ashamed to roll up their sleeves and actually get their hands dirty. Such a program would do much to create a fairly intelligent peasantry which would be happy and contented in squeezing its living from the soil.

CONCLUSION

In fine, one might conclude that the task of educating the majority of Palestinians is a joint responsibility. It is a partnership between the Government and the private schools. These two agencies, in spite of their many sins of omission and commission, have accomplished much and have more to accomplish. The Government has authority and the control of the funds. The missionary schools bring into the country much needed financial aid, and, better still, devotion, intellectual freshness, and valuable educational experience.

To the Government's credit may be placed the dignifying of the Arabic language as a medium of instruction; the sending to Beirut, Cairo, and England of several students for education; the slow raising of the educational level; the encouragement of wholesome sport; the cultivation of love for flowers among the children, and the arousing of their interest in native arts and crafts.

In closing a discussion on one of the many attempts by Great Britain to provide an ancient people with a modern system of education, one is reminded of the words attributed to Lord Curzon that an educated "native" is a nuisance. Whether the facts here presented betray the Palestine Government to be of Lord Curzon's opinion or not is left to the reader.

In any case, it would behoove Pales-

tinians to learn all they can from the British, because they have many valuable lessons to teach. It would be well for the Arabs to improve the opportunity of contact with Great Britain and get what they can, for Great Britain has much to give. The German professor Dibelius concludes an exhaustive study of England with the statement that the British Empire is built on two basic assumptions, one of which is common sense. These

administrators from Eton, Rugby, Oxford, and Cambridge may not be in possession of modern educational technique, but they often display moderation, sanity, and common sense—qualities which youthful Palestinians may well prize. Such substantial elements in education may prove of more value to the educational system of Palestine than elaborate courses of study, misleading academic degrees, and futile certificates and diplomas.

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Public Health in Palestine

By I. J. KLIGLER

THE sacred number three plays an important rôle in Palestine. There are three climates, three peoples, three official languages, three principal religions, and three forms of medical and health activity. The interrelation and interaction of these elements are so basic that unless due attention is given them, it is impossible to obtain a clear idea of the forms and functions of the health organizations of the country.

CONGLOMERATE CONDITIONS

In many respects Palestine is, figuratively speaking, a country on the fence. It is on the boundary between the temperate north and the tropical south. It is the connecting link between the rational West and the mystic East. Historically and by aspiration the national homeland of the Jews, it is settled chiefly by Arabs, and administered by the English. Being a mandated territory its status is rather uncertain, because it is neither a colony nor a self-governing country, and few people have a clear idea of the nature of a mandated country.

In the small compass of this country—roughly 140 miles long and 60 miles wide—one finds a composite of the climates, the languages, the religions, and the standards of civilization of the world. In the Coastal Plain the climate is subtropical; in the highlands it is mildly temperate; in the Jordan Valley it is tropical. In an automobile trip lasting about two and a half hours, one passes from the subtropical region of the coast to the temperate climate of the hills, to the tropical Valley of the Jordan. At the

same time one passes from the western Tel-Aviv, through the semi-medieval Jerusalem to Biblical Jericho. Tel-Aviv is a purely Jewish city with modern concrete pavements, broad sidewalks, and modern houses containing such comforts as central water supply, electric lights, and baths (no sewerage system as yet). Jerusalem is a cosmopolitan city; the old part with its sixteenth-century wall, oriental bazaar, and stone-paved narrow streets, and the new part with its broad thoroughfares and western aspect, present a curiously fascinating meeting ground of the East and the West. Jericho is an old Arab city with nothing of the West or of today. In Tel-Aviv there is hustle and bustle, the excitement of getting on characteristic of our age; in Jerusalem the pace is slower and more sluggish; in Jericho there is mostly the lazy lolling in the shade characteristic of the tropics.

Under these circumstances it is natural that unusual health problems exist and that peculiar difficulties are encountered in solving them. The Jewish people are in a hurry. They are anxious to improve health conditions with the utmost speed in order to facilitate reconstruction and resettlement with a minimum loss of life and health. Hence they fret at any delay. The Arabs are conservative and suspicious of innovation; to many of them, life, disease, and death are still largely ordained by Allah. They understand medicines and have always used them in one form or another, but preventive medicine is a nuisance and perhaps even an invention of the Devil. They will take any amount

of "Quina," but tamper with their primitive irrigation canal or the natural, tortuous course of an overgrown wadi (creek), and there are loud protests. The Government's policy is first to keep order and then to improve conditions in the country as a whole to the extent, and only to the extent, that these activities do not noticeably interfere with the age-old habits and customs of the people.

MEDICAL AND HEALTH ORGANIZATIONS

As a result of these different aspects, standards, and tendencies, three distinct types of medical and health activities have come into being. First, there is the Government Department of Health—British in constitution and organization, and native in execution. Then there is the Hadassah Medical Organization—Jewish in constitution and American in inspiration and organization. Finally, there is a chain of missionary hospitals maintained by various denominations. The first is the official health agency carrying the governmental responsibility for the health activities of the country. The second is a voluntary organization supported by Hadassah, the Woman's Zionist Organization of America, whose purpose is to provide curative and preventive services to the Jewish population and to all others who may wish to avail themselves of their benefits. The purpose of the third is to bring physical and spiritual healing by ministering to the sick. The first two are unified organizations, country-wide in their activities and scope; the last consists of a large number of isolated hospitals located in various parts of the country.

Government Health Department—

The Government Health Department is a highly centralized system under the absolute authority of the

Director of Health. There is no health council or board of health. The director is assisted by a deputy director and two assistant directors, each with distinct functions. The deputy director is in charge of all medical activities, such as hospitals, clinics, and so forth, and the antimalaria service. One assistant director is in charge of the sanitary and epidemiological service, his division including a registrar of vital statistics and a sanitary engineer. The second assistant director is in charge of the laboratory service. These officials are all British.

The country is divided into four districts: Jerusalem, Jaffa, Haifa, and Samaria-Galilee. Each district is under the charge of a British Principal Medical Officer, who is assisted by a varying number of native staff. The Principal Medical Officer is responsible for all services in his district—hospitals, supervision of public establishments, and epidemic, malarial, and rural sanitation. He corresponds to the county medical officer in the United States. In the four large cities, Jerusalem, Jaffa, Haifa, and Nablus, local medical officers are assigned specific duties such as hospital, public establishments, or rural service. In the secondary cities, such as Nazareth and Tiberias, the same medical officer has charge of the dispensary, the epidemiologic service, the rural work, antimalaria service, and so forth; in addition to their work in the town, these medical officers must visit from thirty to forty villages about once a month.

The total staff of the Department consists of 11 British medical officers, 16 local medical officers in the hospital and medical service, 24 medical officers in the sanitary and epidemic service, 5 matrons and 5 staff nurses, and an unrecorded number of sanitary inspectors.

The budget of the Department in

1930 was LP108,551, of which LP 76,143 was spent on salaries and the rest on other charges. Of the salary expenditure, about one sixth is paid to the eleven senior British officials. In view of the generally backward conditions of the country and the complete centralization of the health functions (which means that even the large municipalities provide only garbage collection and plumbing inspection as their contribution to the health services), this budgetary provision is entirely inadequate. The Government provides 10 PT. or less than 50 cents per capita per annum for hospital and public health purposes. The health budget constitutes 4.7 per cent of the total Government expenditures.

Hadassah Medical Organization—

The Hadassah Medical Organization fulfills here the function that various private health agencies do in the United States, with a difference. The work is centralized in one body and covers both hospital and preventive services. At the outset the principal purpose of the organization was to establish a chain of hospitals to serve the needs of the community at large and to provide a good medical and nursing service. It established and still maintains or supports four hospitals, one each in Jerusalem, Tel-Aviv, Haifa, and Safed, and a nurses' training school in Jerusalem. Gradually, however, this organization came to fill many of those lacunæ for which no provision had been made in the preventive services of the Department of Health. It has organized an excellent maternity and child hygiene service in most of the large cities and in a number of the larger villages, covering maternity, infant and preschool, and school hygiene. Thanks to the generosity of the late Mr. Nathan Straus of New York, this organization has constructed two model

health centers—the first in Palestine and the only ones in this part of the world.

The system of the Hadassah Medical Organization is also highly centralized. As is the case in the Department of Health, full power rests in the hands of the director; but here the similarity ends. The services of this organization are more specialized, and the chief of each service is in charge of and fully responsible for the work of the various subordinates throughout the country engaged in that service. The pediatricist of the Jerusalem hospital is also in charge of the infant hygiene work and has direct supervision of all pediatric work and infant hygiene stations in the country. The school hygiene work in the country is under control of a chief of that service. The public health nurse is in charge of all the public health nursing work. The ophthalmologist is in charge of the trachoma and eye service throughout the country. Along with centralization of administration, there is thus a diversification and specialization in service; responsibility being placed in the hands of specialists interested in their specialty, it is natural that quality of service is properly emphasized.

The budget of the Hadassah Medical Organization for hospital and preventive activities totaled in 1930 LP 109,961. Of this sum about LP70,000 was spent on hospitals and LP40,000 on preventive and rural medical services. This organization spent, therefore, more than the Government Department of Health, and much of the improvement in the health conditions of the country could not have been achieved without this extensive service in addition to that of the Department of Health.

The Hadassah Medical Organization maintained in 1930 a staff of 44 physicians, 127 nurses, 41 public health nurses, and over 200 lay and technical

staff. Of the total expenditure, LP77,-398 was spent on personal emoluments and LP32,563 on other charges.

Sick Benefit Society—

The Sick Benefit Society constitutes a most important part of the Jewish health activity. It is a voluntary health insurance society organized by the Jewish Workers' Organization. The Society counts 18,000 members, who with their families constitute 30,-000 souls. Its annual budget of about LP55,000 is covered chiefly by membership dues, partly by contributions by employers, and partly by the Jewish Agency and the Hadassah Medical Organization. The distribution of income in 1930 in percentages was approximately as follows:

TABLE I

Members and Workers' Cooperatives....	48
Employers.....	11
Patients fees.....	6
Agency and Hadassah.....	33
Sundry donations.....	2
Total.....	100

The organization is managed on a coöperative basis. It maintains its

own out-patient departments in the 5 principal cities, provides physicians and nurses to its rural members in 53 rural centers, and conducts a central hospital of 50 to 60 beds, and two convalescent homes. It employs 73 physicians, 49 nurses, and 9 pharmacists. In the absence of a compulsory insurance law, the growth and strength of this society is a tribute to the organizing powers of the Jewish Workers' Organization.

Health Council—

The Health Council is a central advisory and supervisory body constituted by the Jewish Agency to regulate and correlate the work of the Jewish health agencies—principally Hadassah and the Sick Benefit Society. This body consists of seven representative members. Its function is to advise on medical policy and on coördination of the work, to maintain contact with the Government Department of Health, and finally, to analyze and advise on budgets.

VITAL STATISTICS

The general mortality, and more particularly the infant mortality of a country have come to be regarded

TABLE II—GENERAL AND INFANT MORTALITY, 1924-1930

Year	Estimated Mid-Year Population ^a	Death Rate per 1,000 Population				Infant Mortality per 1,000 Births			
		Total	Moslem	Jewish	Christian	Total	Moslem	Jewish	Christian
1924...	681,245	25.0	29.9	12.6	16.8	184.8	199.0	105.7	151.9
1925...	719,508	27.2	31.2	15.1	18.8	188.6	200.5	131.3	162.4
1926...	761,896	24.4	28.6	12.1	17.9	163.0	172.5	108.1	158.0
1927...	778,369	28.0	33.0	13.4	20.1	200.5	216.7	115.3	187.0
1928...	794,526	29.0	35.1	12.1	18.9	186.3	203.5	95.8	157.9
1929...	816,060	26.5	31.7	11.8	17.9	186.5	204.9	89.8	155.8
1930...	843,132	23.1	27.9	9.6	19.2	154.3	169.6	69.0	134.4

^a The population figures are as officially estimated. The recent census has shown that the Moslem population was underestimated in the 1922 census, but a correction will not affect the trend of general mortality as shown in the table, and will naturally have no influence on the infant mortality rates, which are calculated on the basis of recorded births.

as an index of the country's health and of the application by the health authorities of the modern principles of the public health practice. From both these standpoints, the data shown in the accompanying table are extremely instructive.

It is apparent from the data in Table II that until 1930 there had been no appreciable change either in the general death rate or in the total infant mortality rate. The only noticeable improvement is seen in the data for the Jewish population. Thus, while the total death rate and the infant mortality of the Moslem and Christian populations have remained stationary, those of the Jewish population have shown a steady downward trend, reaching an unusually low point in 1930. The year 1930 was in all probability an exceptional one, due to the absence of measles and malaria epidemics, and it is extremely doubtful whether the general improvement recorded will be maintained in 1931.

The conclusions to be drawn from these data are obvious. It is apparent that the program of the Health Department has not been effectively directed towards safeguarding the lives and the health of the population. It is equally clear that the activities of the Jewish medical bodies have given an abundant harvest of lives saved. It is indeed an achievement that in a subtropical country, under sanitary conditions favoring a high infant mortality, it has been possible to reduce the infantile mortality to 69 per 1,000 births. This is particularly noteworthy in view of the relatively high birth rate, only slightly below that of the Christian population of Palestine, and considerably above the prevailing birth rate in civilized communities with an equally low infantile mortality.

A comparison of the Christian and

Jewish birth rates in Palestine is given in Table III.

TABLE III—JEWISH AND CHRISTIAN BIRTHS PER 1,000 POPULATION

Year	Jewish	Christian
1926.....	36.0	40.0
1927.....	35.1	38.9
1928.....	35.4	40.4
1929.....	34.1	37.8
1930.....	33.4	39.0

CONTROL OF COMMUNICABLE DISEASES

The control of communicable diseases is entirely in the hands of the Department of Health. In some respects Palestine is fortunate. Despite its subtropical location, it is not afflicted with some of the diseases prevailing in these regions. Infantile Leishmaniasis, prevalent in other Mediterranean countries, does not exist. Bilharziasis and hookworm, so common in Egypt, are reported only rarely. Similarly, diphtheria and scarlet fever, prevalent in the temperate regions, are of rarer frequency and milder character.

Diseases of infancy and early childhood—

The epidemic diseases responsible for most of the morbidity and mortality in the country are measles, malaria, dysentery and gastro-enteritis (including toxicosis and diarrheas of infancy), and typhoid. Measles, dysenteries, and gastro-enteritis are responsible for most of the deaths in infants and children under five years. Of the deaths recorded as due to infectious diseases, measles takes first place, and pneumonia (usually as a post-measles complication), second. In 1929 the deaths from these two infections accounted for 67 per cent of the total recorded deaths due to infectious diseases.

In general it may be said that the health problems in Palestine center around the diseases of childhood. About two thirds of the total deaths in the non-Jewish population occur in the age group 0.5. The significance of the mortality in this age group is demonstrated by data in Table IV giving a comparison of the Moslem and Jewish death rates in this age group in relation to the total deaths.

breeding in cisterns, the effective control of these cisterns by the Health Department has practically eliminated the disease. In the rural and those urban communities where streams, bogs, and marshes are responsible for the transmission of the disease, much remains to be done. In these regions, Jewish effort in control, drainage, and so forth, has largely brought the disease under control in Jewish and neighbor-

TABLE IV—MORTALITY UNDER AGE 5 IN RELATION TO THE TOTAL MORTALITY

Year	Total Deaths		Deaths under Age 5		Percentage of Deaths under Age 5 of Total Deaths	
	Moslem	Jewish	Moslem	Jewish	Moslem	Jewish
1929.....	18,131	1,820	12,368	692	68.0	38.0
1930.....	16,434	1,562	11,156	542	68.0	35.0

In the Moslem population over two thirds of the total deaths occur in the age group below 5, while in the Jewish population only a little over one third of the total deaths occur in this age group. It is apparent from these data where the center of gravity of the health problem lies, and that a concentration of effort towards the control of the diseases of childhood would offer the greatest reward in human lives saved.

Smallpox—

Vaccination is compulsory and is effectively carried out. In contrast with neighboring countries, Palestine has been entirely free from smallpox.

Malaria—

Malaria is one of the most important endemic and epidemic diseases in the country. In most of the cities malaria has been brought under control by the efforts of the Department of Health. In the urban communities, where malaria is transmitted by an *Anopheles*

ing Arab villages. In non-Jewish areas, such as Acre, the Huleh plain, the region east of Beisan, and other sections, malaria is still highly prevalent. But, by and large, tremendous progress has been made in the last ten years toward the control and, in many places, the elimination of this scourge.

Tuberculosis—

Notification of tuberculosis is incomplete. It is approximately correct only in so far as Jewish deaths are concerned, and an idea of the prevalence of this disease is obtainable from these data. According to the figures published in the 1928 report of the Department of Health, the death rates for the different communities were as shown in Table V.

It is obvious that these data are incomplete. Judging by the Jewish deaths and allowing the accepted ratio of 10 cases per death, there were in 1928 approximately 800 cases of tuberculosis in the Jewish population of

160,000, or a case rate of .5 per 1,000. This figure is probably lower than that prevailing in the country as a whole.

TABLE V

	Deaths	Death Rate per 1,000	Percentage of Total Deaths
Moslems . . .	159	0.28	0.81
Christians . .	33	0.42	2.21
Jews	82	0.54	4.51

Up to the present the Government has done nothing to cope with the problem. The reporting is incomplete, isolation is not being carried out, and no provision whatever has been made by the Government either for the isolation or the treatment of early active cases.

The only active anti-tuberculosis work is being carried out by Jewish bodies. The Hadassah Medical Organization maintains thirty beds in Safed for early active cases. There is also an Anti-tuberculosis League, which, with the aid of Hadassah, maintains tuberculosis clinics in Jerusalem, Tel-Aviv, and Haifa. Over five hundred active cases are registered in these stations, and these and their families are under the supervision of the tuberculosis nurses attached to the stations. The fact that patients are admitted to the Safed hospital only through these stations has helped considerably to stimulate registration and attendance of patients and suspects at the stations.

PREVENTIVE SERVICES

Maternity and child welfare—

The first maternity and infant welfare stations were established by the Hadassah in 1922. Since then this organization has established and now maintains 22 centers. In 1930, 3,769

prospective mothers and 8,572 infants were in active attendance at these stations. Since the total Jewish births were 5,434, it appears that about 70 per cent of the potential mothers attend these stations.

The Health Department activities in this direction are very limited. No prenatal care is offered. Its infant welfare service was started in 1925 and consists at present of eleven stations maintained by the Government and three by municipalities. All these stations are located in the cities and serve only the Arab population. In 1930, 5,266 infants were registered in these stations.

Other voluntary organizations maintain six stations, three non-Jewish and three Jewish. In 1930 these stations registered 3,539 infants.

In general, the Health Department has not manifested a progressive attitude with regard to these important preventive services. It has given only inadequate attention to the needs of the Arab population and none at all to those of the Jewish population. The shortsightedness of this policy is apparent in view of the high infant mortality and mortality in children under five years of age. To quote Rosenau:

The Government must sooner or later realize that voluntary agencies cannot be expected indefinitely to carry on preventive work, which is a public health obligation of the community and state. The Department of Health . . . can very well afford to devote money to the saving of maternal and infant lives.

School hygiene—

In Palestine there are three systems of schools: the Government schools for the Arab population, the official Jewish school system, and mission and other schools. In 1930 there were 310 Government schools with 22,956 pupils and 760 teachers; and 566 non-Govern-

ment schools with 51,504 pupils and 2,709 teachers. At present the Health Department service is practically limited to Government schools; the other schools (among them the Jewish) are dependent on voluntary service.

The school hygiene service provided by the Health Department corresponds to that in other countries. There is periodic examination of school children, inspection of schools, instruction in hygiene to teachers, and control of infectious diseases. Special attention is given to treatment of eyes, a very important matter in view of the prevalence of trachoma and epidemic conjunctivitis.

In 1930, 11,058 children were examined—5,918 in cities and 5,140 in villages. Of these, 5,901—over 50 per cent—had trachoma and 513 had other eye diseases. Over two million eye treatments were given.

None of this service is provided to Jewish schools, and the lack is filled by the Hadassah Medical Organization. In 1930 the Hadassah school hygiene service cared for 25,000 school children. This service has been particularly effective in completely freeing the children of scabies, in reducing the trachoma incidence to 10 per cent, and in the organization of groups of children into health scouts.

HOSPITAL SERVICE

General and infectious—

The hospital service has an important bearing on the health of the community. Adequate provision of hospital facilities, particularly for infectious and communicable diseases, makes possible a better control of these diseases. In Palestine most of the hospital care is provided by voluntary agencies.

The mission hospitals fulfill an important function, satisfying to some extent the needs of the Moslem and

Christian population. In some of the communities these hospitals are alone in the field. The Scottish Mission Hospital in Tiberias, the French and English Hospitals in Nazareth, the French Hospital in Bethlehem, and the East Mission Hospital in Hebron furnish much-needed service in cities where no other hospital facilities are available.

Perhaps the outstanding mission hospital from the standpoint of the need of the local population and the extent of its service is the excellent Ophthalmic Hospital of the Order of St. John of Jerusalem. It has a bed strength of 45, and in 1930 had an average occupancy of 33.0. But of even greater importance is the outpatient service, which in 1930 had an attendance of 82,388, representing 19,457 new patients, of whom 13,148 were Moslems, 4,797 Christians, and 1,512 Jews.

The Leper Hospital maintained by the International Moravian Society is the only leper hospital in the country. It has a bed strength of 60, but its occupancy in 1930 was only 18.7.

One of the striking differences between the mission and Government hospitals on the one hand and the Jewish hospitals on the other is the relatively low average rate of occupancy of the former. With a few exceptions, the occupancy in these hospitals is rarely more than 50 per cent of the bed strength. Noteworthy exceptions are the Ophthalmic Hospital and the English Mission Hospital to the Jews, with an occupancy of over 70 per cent; the German Hospital in Haifa, with an occupancy of over 80 per cent; and the Edinburgh Mission Hospital in Nazareth and the Scottish Mission Hospital in Tiberias, with an occupancy of 70 and 85 per cent respectively. From every standpoint, these hospitals satisfy a real need and

provide the poor population with a service which could not well be dispensed with.

Table VI shows the number of hospitals and the bed strength provided by the Government and by non-Government bodies. The total bed strength is 1,926, or about 2 per thousand. Of this, the Government's provision of general and infectious disease

beds is less than 20 per cent. More noteworthy is the fact that in a country like Palestine the total bed strength for contagious diseases is 106, or one bed per 10,000 population.

Attention should also be called in passing to the percentage of occupancy of the various types of hospitals. This is significant in view of the charge occasionally voiced regarding the rela-

TABLE VI—DISTRIBUTION OF GENERAL AND INFECTIOUS HOSPITAL BEDS IN VARIOUS PARTS OF THE COUNTRY

	No. of Hospitals	Total Beds	General	Isolation	Occupancy	
					Total	Per Cent
<i>Jerusalem</i>						
Government.....	1	103	92	11	60.6	
Jewish.....	5	307	295	12	276.7	
Non-Jewish.....	4	340	340	0	152.6	
<i>Bethlehem</i>						
Non-Jewish.....	1	70	70	0	25.6	
<i>Hebron</i>						
Non-Jewish.....	1	32	32	0	13.6	
<i>Jaffa</i>						
Government.....	1	73	48	25	33.9	
Jewish.....	1	125	125	0	130.1	
Non-Jewish.....	3	164	164	0	63.6	
<i>Beersheba</i>						
Government.....	1	8	8	0	7.6	
<i>Gaza</i>						
Government.....	1	33	24	9	15.9	
Non-Jewish.....	1	63	63	0	22.9	
<i>Haifa</i>						
Government.....	1	70	30	40	38.0	
Jewish.....	1	55	55	0	51.5	
Non-Jewish.....	2	60	60	0	41.2	
<i>Acre</i>						
Government.....	1	29	24	5	15.5	
<i>Nazareth</i>						
Non-Jewish.....	2	116	116	0	54.1	
<i>Nablus</i>						
Government.....	1	56	52	4	41.0	
Non-Jewish.....	1	45	45	0	21.7	
<i>Tiberias</i>						
Non-Jewish.....	1	60	60	0	51.1	
<i>Safed</i>						
Jewish.....	1	53	54	0	47.4	
<i>Afulah</i>						
Jewish.....	1	64	64	0	52.3	
Total Government.....	7	372	278	94	212.5	57.1
“ Jewish.....	9	604	593	12	558.0	92.4
“ Non-Jewish.....	16	950	950	0	446.4	47.0

tively higher cost of the Jewish hospitals.

Mental hospitals—

There are two mental hospitals, one with a capacity of 60 beds maintained by the Government and the other with a capacity of 80 beds maintained by a voluntary local Jewish organization. Both are overfilled and there is a long waiting list clamoring for admission. The Government had planned the construction of a large institution adequate to meet the needs of the country, but these plans have been suspended in view of the economic depression.

SANITARY SERVICES

Good water supply and proper disposal of human waste constitute primary needs of organized communities. In this respect Palestine is still in the transition stage; that is, in the stage in which many of our American cities were thirty or forty years ago. Most of the cities of Palestine are still without a proper or adequate water supply, and none has a complete sewage system. Jerusalem, the capital, with its 90,000 population, still suffers periodically from water shortage. Only some sections of the town have sewer mains, and the untreated effluent still runs down an open creek in the Kidron Valley as it did ten years ago.

Water supply—

Only a few cities in Palestine have a satisfactory central water supply. In Jerusalem there is a central supply distributed to the houses from the main sources—the Ein-Harub and Ein-Farah springs to the south and east of the city, respectively. But these supplies are inadequate for the rapidly growing population, the average supply exclusive of cisterns being about 4 gallons per soul—an absurdly

inadequate amount. In Jaffa, only part of the city has a central supply, the rest still depending on shallow, often badly polluted wells. In Tel-Aviv there is a satisfactory supply provided from five deep borings pumped to service reservoirs for distribution to the entire city. In Haifa there is a central water supply only in the Hadar Hacarmel Quarter of the town, having about 5,000 inhabitants. This supply is obtained from two deep borings giving about 6,000 gallons per hour. The rest of the city, of over 40,000 souls, still depends on wells, usually very hard and often brackish. Tiberias now has a good chlorinated water supply from Lake Tiberias.

In contrast with this unsatisfactory condition prevailing in the cities is the water supply in the rural Jewish settlements. In practically every settlement without exception, there is a piped supply either from a deep-bored well or from closed springs. These waters are pumped to reservoirs and distributed by gravity.

Sewage disposal—

As stated above, sewage disposal is nonexistent. In Jerusalem some sections of the town are provided with sewers, but there is no disposal plant, and were there one, it would be useless because the sewage is far too concentrated for treatment. In Jaffa there is, in one small section of the town, a storm water drain emptying into the sea, which serves also as a sewer; but the leaching cesspit is still the prevailing form of disposal. The same condition prevails in Tel-Aviv. In Haifa a sewerage system exists only in a few sections, the discharge emptying into the sea; the rest of the city is still using the cesspit or septic tank. In the other cities, cesspits, percolating pits, or the still more primitive drypits still prevail.

CONTROL OF THE FOOD SUPPLY

In control of the food supply, too, the urban communities of Palestine are still in the pioneer, primitive state. The collection and distribution of food is still unorganized. There are large dealers in vegetables and provisions, but every morning the women (fel-lahin) still come to market with their baskets of vegetables and eggs, squat on the pavement, and cater directly to the consumer.

To a considerable extent this holds true also with regard to milk. There are some organized distributors of cows' milk, the principal one being the Producers Coöperative "Tnuvah." The "Tnuva" also operates the model pasteurization plant in the Straus Health Center, producing, under the control of the Health Center administration, a Grade A, bacteriologically controlled, pasteurized milk. But, in addition, one may still see the goats brought to the house and milked directly into the consumer's container.

The Health Department has instituted a system of licensing for stores, shops, restaurants, and so forth, but this does not as yet reach the small farmer who peddles his own products. Hence, the only safeguard is to treat all food with suspicion and eat only cooked food, boiled milk, and sterilized or cooked vegetables.

NEEDS AND ACHIEVEMENTS

Much solid work has been done by both Government and non-Government bodies. Palestine is today as different from the Palestine of the Turkish period as our own South is different from that of fifty years ago. There is a good Health Organization; much has been done to improve recording of vital statistics, and there is an excellent and well-organized laboratory service.

However, there is no denying the facts that the preventive and sanitary services have not received due attention, that the mortality has remained stationary, and that there has been undue reliance on the work of voluntary and more particularly Jewish agencies, which have expended enormous sums for services which should have been and in the future must be provided by Government. Moreover, it should not be overlooked that the revenue and the expenditure of the Palestine Government are today at least five times as large as they were in the prewar days, even in terms of prewar values.

This article is written from the viewpoint of the hygienist stressing the health needs of a community rather than the achievements, and the needs are indeed large, even in the light of the achievements.

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Arab-Jewish Unity in Palestine

By FUAD SHATARA

PEACE, unity, and harmony in Palestine are a "consummation devoutly to be wished" and an objective the attainment of which is an essential prerequisite before any real progress can be achieved. The solution of the Arab-Jewish problem is the paramount task in Palestine today. The tragic events of the last decade have conclusively proved that this problem far transcends any other political maneuver or economic undertaking. The leaders who have either evaded this problem or relegated it to the background, instead of making an honest attempt to face it squarely, have clearly demonstrated their shortsightedness and are indirectly responsible for the clashes between Jews and Arabs.

Is Arab-Jewish unity in Palestine possible?

What are the motives behind Arab opposition?

ARAB OPPOSITION TO POLITICAL ZIONISM

I shall attempt to answer these two questions by an analytical and objective presentation of the Arab attitude toward political Zionism. The words "political Zionism" are used advisedly. By political Zionism the Arab understands an attempt to set up in Palestine a Jewish state which shall be, to use Weizmann's words, "as Jewish as England is English or America is American." In this *imperium in imperio*, the Arabs will be forced either to "trek along" (*Zang-will*) or to be "hewers of wood and drawers of water." In this *Judenstat*, a Jewish majority is a *sine qua non*.

This is not the spiritual and cultural

Zionism of Ahad Haam or Judah Magnes, with which the Palestine Arab has no quarrel. Between these two brands of Zionism—the right wing and the left wing—the Zionist Organization has taken a so-called central position; hence the Center Party in Zionist ranks, which I can best describe by quoting Herbert Solow's article in the November–December 1930 issue of the *Menorah Journal* (a Jewish magazine):

Even most extreme Ahad Haamists seem to have reconciled themselves to the situation, and the Zionist movement merged the concepts of a "cultural center" and the Jewish State in the vague, elastic phrase "Jewish National Home" which each might interpret as he pleased and all might support.

This compromise, an *unstable mixture*,¹ was described by chemist Weizmann as "synthetic Zionism" and by him dignified as a new Ideology.

It is easy to understand why the Palestine Arab has mistrusted and dreaded this Center Party even more than the extreme right wingers. To him it appeared that that party hobbled between the two extremes of Zionism, adopted a chameleon-like policy and changed its color to meet the environment and the occasion, and was everything to everybody. He read contradictory statements of policy, made by the same leaders on different occasions, and became convinced that the chauvinistic utterances more accurately represented the real intentions of Zionist leaders, while the mild and soothing statements were but anodynes intended to pour oil on

¹ The italics are the author's.

troubled waters and to eliminate as much resistance as possible until the Zionists obtained a majority in the land and a constitutional sanction for their chauvinistic designs, which they lack as a minority.

Arab opposition to political Zionism is therefore easy to understand—essentially it is an expression of the instinct of self-preservation and an assertion of an inalienable majority right which has been recognized from time immemorial. It is not religious, neither is it prompted by a “few mischievous effendies or agitators.”

ARAB-JEWISH RELATIONS IN HISTORY

The Arabs, like the Jews, are Semites. During the Golden Era of Arab supremacy, from the seventh to the fourteenth century A.D., when the Arabs were the only civilized race in the world, Jewish physicians, poets, and scholars found a haven of refuge from oppression in the courts of Arab caliphs. Suffice it to mention Maimonides, the philosopher and physician, Rabbi Ibn Ezra, and Ibn Rubban, the teacher of Ar Razi.

Arab contributions to world civilization constitute a fascinating topic which space does not permit to discuss here. George Dorsey, in his recent book *Man's Own Show—Civilization*, definitely states that were it not for the Arabs, the Renaissance would have been impossible. It is, however, germane to this discussion to state that there is a growing belief in the Arab world (including Palestine) that the Arab—that long-slumbering giant—is ready to shake off his shackles and lethargy and to resume his place in the family of civilized nations.

Prior to the World War and the issuance of the Balfour Declaration, Jews and Arabs lived in Palestine in friendly and neighborly harmony.

ZIONIST CLAIMS REFUTED

The facts that several Jews have on numerous occasions publicly expressed their opposition to Zionism, and that the Christians in Palestine have been as vigorous in their opposition to Zionism as the Moslems, are sufficient to refute the “religious fanaticism” theory. Among the many Jewish leaders who have publicly expressed their opposition to political Zionism may be mentioned: Henry Morgenthau, the late Professor DeHaan, Judah Magnes, Rabbi David Phillipson, and Rabbi Landman, editor of *The American Hebrew*. However, the most convincing refutation of political Zionism is the scholarly thesis of the late Professor Morris Jastrow, of the University of Pennsylvania, entitled *Zionism and the Future of Palestine*. In the Appendix to this book is given the petition opposing Zionism handed to the late President Wilson and signed by three hundred leaders of American Jewry.

It is furthermore very significant that every commission of inquiry appointed by the British Government, beginning with the Crane-King (American) Commission and ending with the Simpson Commission, has substantiated the claims of these “mischievous Arab effendies and agitators” and refuted the claims of Zionist zealots.

There are three principal phases of this question: the historical, the political, and the economic. Briefly, the Zionists claim that historically Palestine was a Jewish country, that it was returned to them by the Balfour promise, which has been indorsed by all the nations of the world, and that they, and not the Arabs, are equipped to develop the land economically for the benefit of all. Let us examine each of these three phases.

THE HISTORICAL PHASE

Historically, the Jews have been but one of many races that entered Palestine by the sword and were expelled therefrom in a similar manner. The word "Palestine" is derived from "Philistine," the arch enemies of the Jews. The history of Palestine goes back to the year 2500 B.C., when the land was settled by Semites from Arabia.

Out of the long period of over 4,431 years (2500 B.C. to 1931 A.D.), the Hebrew monarchy, which was established 1050 B.C., lasted only 97 years. It was torn asunder by internal strife and was succeeded by the Kingdom of Israel which lasted a little over two hundred years, and the contemporaneous but longer-lived Kingdom of Judah which was finally carried into captivity by Nebuchadnezzar in 586 B.C.

From the above it is clear that the existence of the Jewish monarchy, which political Zionists seek to revive in the form of a state, lasted less than four hundred years and was anything but successful. To use Lewis Browne's words, "it was but a 'door mouse' compared with the mighty empires of Persia, Babylon, or Egypt." It was torn asunder by internal strife and dissensions, and it is hard to see how it will be possible to prevent dissensions which cropped up among a homogeneous people from recurring among heterogeneous groups drawn from the four corners of the earth, as are the immigrants into Palestine today.

The Arabs, on the other hand, captured Jerusalem under the Caliph Omar in the year 646 A.D. and have lived in the land continuously ever since, or for a period of nearly thirteen hundred years.

The Palestine Arabs, like Americans, are a mixed race and have in their veins a predominant strain of Arab

blood intermingled with that of the numerous races who have invaded the land since the dawn of history. They feel that, having lived in the land continuously for thirteen hundred years, their title to the land is clear. Possession is two thirds of the law, and there is a limit to title of property. While willing to share with the Palestinian Jew their rights and obligations, they regard the claim of the European or American Jew to Palestine as no more valid than the claim of the Arabs to Spain or the claim of the Italians to the United States because America was discovered by an Italian.

The statement that the establishment of a Jewish state is a prerequisite to the revival of Hebrew contributions is not borne out by history. The greatest contribution of the Jews to the world's spiritual treasury, namely, the substitution of the idea of a universal God, the father of all mankind, for the previous Hebrew conception of a sectarian, warlike Jehovah, was made by Jeremiah at a time when the kingdom was on the wane, and was further elaborated by the Jews in the Babylonian exile. The subsequent great contributions of the Jews were all made in the Diaspora. Thus Jastrow says in *Zionism and the Future of Palestine*:

It is a fact of the utmost significance that the great contribution of the Jews to the world's spiritual treasury was made not while the national life was flourishing, but as it was ebbing away. The Prophets with their revolutionary doctrines made their appearance when the southern Kingdom was beginning to show symptoms of decline, and the movement reached its height after this Kingdom had disappeared and the national existence of the southern Kingdom was threatened. The religion of the Prophets is the swan song of ancient Hebraism, and the example of a people flourishing without a national background had to be furnished to the world in order to

bring the new conception of religion to fruition, which divorced religion from nationality and made it solely the expression of the individual's aspiration for the higher life and communion with the source of all being. The ancient Hebrews disappeared. It was the Jews, as we should call the people after the Babylonian Exile, who survived, and they survived despite the fact that they never recovered their national independence in the full sense of the word.

THE POLITICAL ASPECT

Politically, the Balfour promise, the cornerstone of political Zionism, was sandwiched between two well-known promises made to the Arabs which are contradictory to the Balfour promise. Subsequent events have clearly demonstrated that the wartime British Government were too free with their promises in regard to Palestine, which they did not then possess, and that incompatible promises were made during the War, the full significance of which was not then realized and the subsequent fulfillment of which has been found impossible. Thus *The Nation* in an editorial in the September 11, 1929 issue states:

It was the perversion of all decency, of all standards of common good faith and honesty in that struggle [World War] which led the wartime British Cabinet, loyal to their belief that anything which might help win the war was good and justifiable, into the career of perfidy which lies behind the bloodshed in Palestine today. . . . In two years the British appear to have promised Palestine, which they did not possess, successively to the Arabs, the French, and the Jews.

But promises or no promises, there is an overwhelming majority in Palestine who have inalienable and constitutional rights which cannot be bartered away by foreign diplomats. The rights of a majority are tacitly acknowledged by the feverish efforts of political Zionists to create a majority

for themselves in Palestine, unless two different standards of justice and equity are set up, one for the Jew and another for the Arab.

The following is quoted from a *New York Times* editorial under date of October 22, 1930:

Great Britain's new policy in Palestine is a blow at Zionist aspirations only in the sense that it registers a verdict already pronounced by the facts. The claims of "Political Zionism" were always inadmissible. Neither justice nor the forces of nationalism let loose by the war nor Great Britain's pledges to the Arab people would tolerate the imposition of Jewish ascendancy by high-pressure methods upon a native population four-fifths hostile. The Jewish Homeland promised in the Balfour Declaration was limited in that Document by the rights of the Arab majority. To all but a small faction of zealots it must have been manifest from the first that the building of the Jewish Homeland must take the form of colonization.

THE ECONOMIC PHASE

As to the economic phase, it is well to remember that granting even the most exaggerated and fantastic claims of Zionist propagandists, the Arab is unwilling to sell his birthright for an economic mess of pottage. He would rather be let alone to work out his own salvation and remain master in his own home.

According to the 1931 census, Palestine has a population of 1,035,154, or about 115 people per square mile as compared with 41.3 per square mile in the United States; with a birth rate of 52.88 and a death rate of 23.14 (1930). The population will double itself in about thirty years without the incoming of a single immigrant.

Arab-Jewish unity in Palestine is not only possible but highly desirable, but such unity can be achieved only between the Arabs and the Cultural or Spiritual Zionists. Arabs and Jews

are cousin races which should supplement each other's needs and not take advantage of each other's weakness. The Arab world is struggling to resume its place among the civilized community of nations. It is struggling against internal difficulties and against the external forces of imperialism and domination. The Jew can and should ally himself with the Arab and help him in his struggle and thereby win the eternal gratitude of the Arab and a place where he (the Jew) can revive his ancient language and traditions.

Physically and economically Palestine is limited, and one of the poorest countries in the world; culturally and spiritually it is unlimited, and one of the wealthiest countries in the world. Why, then, take the Holy Land off its unique pedestal and drag it down to the level of a petty Balkan state? Any attempt to give precedence in material things to one element of the population can only result in disaster; but a competition in cultural things is wholesome, desirable, and beneficial not only to Palestine but to the rest of the world.

One of the greatest obstacles in the way of peace is that the atmosphere in Palestine is charged with fear and suspicion. The Arabs are now a majority in the land, and as such, have certain inalienable rights. When their rights as a majority are threatened, is it any wonder that they have grave fears for their rights and status should they ever become a minority?

PROPOSED SOLUTION

As a solution for this knotty problem, the writer proposes the following:

(1) There should be immediate establishment of a representative form of government in Palestine similar to that proposed in the Passfield White Paper and repeatedly demanded by

the Arab Executive. The presence of the Mandatory power is a guarantee that the Arab majority will not trespass on the rights of the Jewish minority. Should the Mandatory power withdraw from the country, the League of Nations will safeguard minority rights in Palestine as it does elsewhere.

Jewish communities should be granted local autonomy in the administration of their internal affairs.

(2) Immigration should be regulated not by the representative government but by an immigration commission who should control immigration in accordance with the economic capacity of the country to absorb and support immigrants, with the proviso that an Arab majority shall always be maintained. According to the 1931 census this would permit the Jews to bring in about half a million immigrants, and give them a population of about three quarters of a million when the natural increase is taken into consideration. That number, if carefully selected, should furnish enough material for reviving Hebrew culture and traditions.

(3) Development and conservation of the natural resources of the country should be carried on for the benefit of all elements of the population, and not for any one section, or for a group of foreign capitalists. The development of the hydroelectric power, and the Dead Sea concession are cases in point.

(4) The economic independence of the Palestine farmer, be he Jew or Arab, is the cornerstone of the country's prosperity. This is just as true in Palestine as it is in the United States, where the farmer's plight has called for various forms of Federal aid, protection, and relief measures. All oppressive influences, whether they emanate from the mythical feudal

landlord or the numerous other causes which have forced the farmer to sell his land, should be permanently and thoroughly eradicated. Tariff protection, extension of farm credits, and introduction of modern farming implements and methods should be instituted so as to prevent the creation of an evicted, landless, and pauper class as shown by the Simpson report. Beyond this, further restrictions on the sale of land are both unnecessary and impossible.

(5) There should be encouragement of social, linguistic, educational, cultural, medical, communal, industrial, and business relationships between Jews and Arabs as suggested by Rabbi Louis Newman.

The above program would overcome two of the most important obstacles; namely, the setting up of a representa-

tive government, which has been persistently demanded by the Arabs and as persistently opposed by the Jews; and the removal of immigration regulation from the realm of politics to the realm of economics, where it rightly belongs. It would allay the justified fears of the Arabs by perpetuating an Arab majority, and at the same time permit enough Jewish immigrants to enter the land to form a "body" or "backbone" for a cultural or spiritual revival. It would not satisfy the extremists in either camp, but its adoption for an armistice period of say ten years would clarify the atmosphere of misunderstanding and suspicion and permit the moderates in both camps—who are the sole hope of peace and understanding—to get together and join hands in the upbuilding of the land and the revival of both Arab and Hebrew cultures.

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Palestine in the Light of Archaeology

By W. F. ALBRIGHT

IN FEW countries does archæology occupy a place as relatively important as in Palestine today. Not a Western nation of importance but is represented by at least one excavating expedition a year, while more than half of the undertakings are supported in whole or in part by American money. Since 1926 the number of yearly excavations has risen to an average of a dozen. There are also some half a dozen institutions in Jerusalem which are devoted primarily to archæological research. First in seniority is the Dominican *École Biblique*, now the official French archæological school. Second comes the American School of Oriental Research, founded in 1900. Twenty years later the British School of Archæology was established. The Germans are represented by separate Protestant and Catholic institutes, which are also supported by coreligionists in the neighboring Teutonic countries. Since the War, similar foundations have been established by the Jesuits and the Franciscans; the former, called the Pontifical Biblical Institute, has been particularly active. Recently the Hebrew University has established an archæological department, which is rapidly growing in importance.

Shortly after the establishment of civil government in Palestine, in 1920, the mandatory power organized a Department of Antiquities, with Professor John Garstang of Liverpool University as Director. After an incumbency of seven fruitful years, he resigned in order to resume his own archæological work, and Mr. E. T. Richmond was appointed to the post.

A few months later, in the Fall of 1927, Mr. John D. Rockefeller, Jr., announced his generous offer of \$2,000,000 for the construction, equipment, and maintenance of an archæological museum in Jerusalem. The construction of a spacious and beautiful building is now well advanced. Under the terms of the Antiquities' Ordinance, the Director of Antiquities is assisted by an international archæological advisory board, consisting of representatives of different nationalities and interests. Thanks to the Department of Antiquities, excavation has become much easier for responsible scholars and institutions, while permits are seldom granted to incompetent persons or bodies.

EARLY EXPLORATIONS

Interest in archæological exploration in Palestine has been stimulated from the beginning by religious factors. Catholic, Protestant, and Jewish groups have vied with one another in supporting excavation in the Holy Land. But for this religious interest, little archæological work would have been carried on here, since little was to be expected in the way of artistic objects and museum pieces, as in Egypt, Mesopotamia, and Greece.

From the beginning of modern archæological research in Palestine, less than a century ago, there has been an active and steadily increasing scientific interest in Palestinian archæology. This has expressed itself partly in continuous improvement in methods and practices of exploration and excavation, and partly in parallel research in the natural sciences. The

first, and indeed most of the zoölogical, botanical, and geological investigation conducted in Palestine until recently, was directly due to antiquarian interest in the Bible and to the facilities provided by archæological expeditions. Nearly all cartographic and physiographic work done before the War had a primary archæological purpose.

In the seventeenth and eighteenth centuries, archæological and topographical explorations were carried on by a number of European scholars. Until the beginning of Robinson's work in 1838, none of this could be called scientific in the modern sense, though many important sites, such as Gerasa (Jerash), Petra, and Cæsarea Philippi (Banias) had already been discovered, while numerous maps, plans, and drawings had been published—all inadequate from our point of view. It was the American Biblical scholar, Edward Robinson, who, in two intense tours of exploration lasting only seven months in all, laid the foundations of the modern critical study of Palestine. Robinson had the Yankee energy and practicality, with a thorough German training in historical and philological research; a large part of the new data and conclusions which he assembled still retains its value after the lapse of a century.

Robinson's pioneer explorations were followed by the investigations of many other scholars, English, continental, and American, among whom the Frenchman, Victor Guérin, may be singled out for special mention. None of them introduced new methods, nor did any of them begin to equal Robinson in the use of his methods. It was reserved for Charles Clermont-Ganneau, in the seventies and eighties of the nineteenth century, to combine historical, philological, and archæological research in an exceedingly fruitful union. No scholar who

has ever worked in Palestine has surpassed the brilliant standard set by Clermont-Ganneau, who was equally original and correct in his treatment of the masonry of the Crusaders, the topography of Mujirad-Din, and early Hebrew epigraphy.

Meanwhile, a third French scholar, De Saulcy, had conducted the first archæological excavation in Palestine, in 1850, when he cleared the so-called Tombs of the Kings. It is characteristic of the ignorance of the history of ancient art and architecture which then prevailed that De Saulcy considered himself justified in dating this remarkable monument of the first century A.D. nearly a thousand years too early. Nor were the British excavations in Jerusalem, twenty years later, under the direction of Charles Warren, any more scientific in methods and conclusions. Unfortunately, Clermont-Ganneau himself never excavated.

In 1865 the Palestine Exploration Fund was founded by English scholars and publicists interested in Biblical and archæological studies. This organization not only launched the somewhat premature excavations in Jerusalem of which we have just spoken, but also undertook a much more elaborate and important task, the cartographic, topographical, and archæological survey of Western Palestine, begun in 1871 and finished in 1877, under the direction of two English army officers, Conder and Kitchener, the latter to be known later as Kitchener of Khartoum. The Survey of Western Palestine has remained standard until the present and is, in general, surprisingly accurate and complete. Only a few archæological sites of major importance are omitted, and nearly all Arabic names are correctly reproduced, less than 10 per cent being erroneously transcribed. It should be

added that the standards of accuracy in the reproduction of Arabic names which then prevailed were very low, and that most of the errors are due to careless or stupid native scribes. It was, of course, not possible at that time to date ruins by their pottery, since the value of this criterium had not yet been discovered.

BEGINNINGS OF MODERN EXCAVATION

The period of modern scientific excavation began in 1890, with the first campaign of excavation at Tell el-Hesi in southern Judah, under the direction of the Egyptologist, Petrie (now Sir W. M. Flinders Petrie). As a result of nearly ten years of work in Egypt this archaeologist had discovered the importance of pottery, whole or broken, as a means of dating. While classical scholars had already learned to appreciate the chronological value of painted Greek pottery, Petrie was probably the first to appreciate the fact that unpainted pottery might be just as valuable if studied inductively and systematically. Thanks to a comparison of the pottery found at this site with similar pottery from Egypt which he had learned to date, he was able to give approximately correct dates to all the strata of occupation examined by him except the lowest, for which the Egyptian material then available was of no use.

The Palestine Exploration Fund wisely followed up its initial success by excavating for several more campaigns (1891-93, 1898-1900) in Southern Palestine, employing the services of an American, F. J. Bliss, and an Irishman, R. A. S. Macalister. Bliss and Macalister developed the method introduced by Petrie, and determined the main lines of the new ceramic chronology, at the same time that they made numerous discoveries bearing on the history of civilization in ancient Palestine.

In 1902 Macalister began the excavation of Gezer, an important site on the road from Jerusalem to Jaffa, which had been brilliantly identified by Clermont-Ganneau some twenty years previously. In five campaigns (1902-5, 1907-9) he cleared most of the lower town and obtained an enormous mass of material, which remains by far the most complete collection hitherto excavated from a single site. Unhappily, Macalister was unable to excavate the citadel, which is occupied by a Moslem saint's tomb and cemetery, so there was little found in the way of inscriptions and artistic objects. This disparity has given an erroneous impression of the amount of inscriptional material lying buried in Palestinian mounds, as has been shown by subsequent finds at Taanach and Bethshan. It is precisely in the citadel of the ancient town, where the most important buildings were located, that we may expect to find inscriptions and museum pieces.

The work inaugurated by the British was soon taken up by the Germans and Americans. In 1902 a German scholar, Ernst Sellin, headed an Austrian expedition for the excavation of the important Canaanite fortress of Taanach in Northern Palestine; in 1903 a German engineer, G. Schumacher, began the examination of the still more important site of Megiddo, resumed since the War by the Americans.

WORK AT JERICHO AND SAMARIA

In 1908 Sellin attacked the site of Jericho, at the head of a German expedition; the excavation was interrupted in 1909 and has been resumed by a British expedition since the War. The work at Jericho was the first which was adequately provided with a staff of trained architects, and the publication set a new standard in this respect.

Previous excavations had been all too frequently one-man undertakings, and the director had no time to attend properly to any one phase of the work, even when he was endowed with the extraordinary industry of a Macalister.

In 1909 the Americans entered the field with an elaborately organized expedition from Harvard University for the excavation of Samaria. Under the direction of G. A. Reisner, later to become the most eminent Egyptian archaeologist of his time, the Samaria expedition set a new standard of scientific method and thoroughness in dealing with the excavated material. It is true that Reisner was provided with nearly three times as much money as had been at the disposal of any previous expedition, but in archaeology as in other fields of science and scholarship, no amount of money and no perfection of external organization can replace native ability, sound training, and rigidly scientific method. In Samaria all these factors were present.

The War brought an interruption of six years in the continuity of archaeological research; it also ushered in a new era in this field. Since the resumption of archaeological activity in 1920, under the control of the Department of Antiquities, which has been described above, there has been a steady increase in the amount of excavation being done, as well as in the quality of the work. A new spirit of coöperation among scholars of different nationalities has replaced the narrow nationalistic rivalry which was all too typical of Palestinian archaeology before the War. In 1926 the Germans reentered the field and were cordially received on all sides.

There has also been a remarkable increase in the amount of money spent for archaeological research. It is safe to say that \$200,000 was spent on exca-

vation and archaeological research in Palestine by foreign scholars and institutions during the one year 1930-1. Nearly all this money is spent with great economy, and at least two thirds of it stays in the country.

EXCAVATION OF MEGIDDO AND BETH-SHAN

It would be impossible, with the space at our disposal, to list all the expeditions which have worked in Palestine since the War and to describe their work. The most important single undertaking is unquestionably the excavation of Megiddo (Armageddon) under the auspices of the Oriental Institute of the University of Chicago and under the direction of P. L. O. Guy. Work was begun here in 1925, and bids fair to continue for many years, in view of the enormous size of the mound. Thanks to the enlightened policy of J. A. Breasted, the director of the Institute, and to the munificent gifts of John D. Rockefeller, Jr., the organization of this expedition is more complete than that of any other working in the country, while the methods employed are unequaled in precision elsewhere. The mound is to be cleared stratum by stratum, so that the entire area of a given level of occupation will be laid bare before it is removed in order to continue the process with the next stratum below.

Next in importance to the Chicago enterprise is the excavation of the important site of Beth-shan, east of Megiddo, by the University of Pennsylvania Museum, under the successive direction of C. S. Fisher, Alan Rowe, and G. M. Fitzgerald. This work was begun in 1921 and is still under way. The citadel of the Bronze Age has yielded a mass of important inscrip-tional and archaeological material, throwing light on all aspects of Canaanite culture and history in the second

half of the second millennium B.C. No other site in Palestine has proved so rich as Beth-shan.

VARIOUS ENTERPRISES

Aside from these elaborate excavations a number of smaller ones have been organized, all in more or less formal coöperation with the American School of Oriental Research in Jerusalem, and all following, in general, the methods developed by C. S. Fisher, the first director of the excavations at Megiddo and Beth-shan, now professor of archæology in the School. We may mention particularly the excavation of Tell Beit Mirsim (Kiriath-sepher) in Judah by M. G. Kyle and W. F. Albright, of Tell en-Nasbeh (thought to be Mizpah) north of Jerusalem by W. F. Badè, of Beth-shemesh in Judah by Elihu Grant, and of Beth-zur north of Hebron by O. R. Sellers and W. F. Albright. Under the same auspices important excavations have been carried on also at Gerasa (Jerash) in Trans-Jordan. The excavation of Samaria, interrupted since 1910, has been resumed by Harvard University (1931), in coöperation with the Palestine Exploration Fund and the Hebrew University in Jerusalem, under the direction of J. W. Crowfoot, Kir-sopp Lake, and R. P. Blake.

Besides these American enterprises, important work has been carried on by British, French, Germans, Danes, and Jews. Several of the foreign excavations have been partially supported by American money. Among outstanding British enterprises we may mention the work at Jerusalem under R. A. S. Macalister, J. G. Duncan, and J. W. Crowfoot, at Jericho under J. Garstang, and at Gerar, Tell el-Far'ah, and Tell 'Ajjul under Flinders Petrie, who has returned to the scene of his first work in Palestine after the lapse of thirty-six years.

In 1926 the Germans also resumed the excavation of Shechem (Balata), begun just before the War, under the direction of Ernst Sellin and G. Welter-Mauve.

The French have devoted themselves primarily to Syria, so they have not been able to dig much in Palestine. We may refer to two small but exceedingly important undertakings, the excavation of the ancient Jewish synagogue of 'Ain Duq by L. H. Vincent, and of the prehistoric village of Tuleilat el-Ghassul by A. Mallon and R. Neuville.

Nor should we overlook the extremely careful excavation being carried on at Shiloh (Seilun) by H. Kjaer and A. Schmidt on behalf of a Danish organization.

One of the latest institutions to enter the field of archæological research in Palestine is the recently founded Hebrew University in Jerusalem, whose chancellor, J. L. Magnes, is himself a scholar by training and is interested in developing this side of the university work. Until very lately, Jewish energies have been so exclusively occupied by the struggle with difficult physical and political conditions that little attention has been paid to research in the historic past. E. L. Sukenik has now been appointed to direct the archæological work of the University, and has already accomplished some most important work, notably the excavation of the Jewish synagogue of Beth Alpha near Beth-shan.

REVELATIONS OF ARCHÆOLOGY

Thanks to the archæological work of the past forty years, and especially to the researches of the past ten years, we are now well acquainted with the main outlines of the history of ancient Palestine. Whereas previously very little was known except what could be read

in the pages of the Bible, much of which was entirely misunderstood because of the lack of an archaeological background, we are now able to reconstruct the details of cultural and economic evolution, while light has fallen on all phases of social and political history as well. Up to 1925 practically nothing was known of the proto-archæology of Palestine; since then, the excavations of Turville-Petre, Dorothy Garrod, R. Neuville, and others in the caves of Palestine have established a complete correlation with the proto-archæology of Western Europe, so that Palestine already plays a rôle of unique importance in this field. Miss Garrod has, for example, discovered the first known prehistoric culture (the Natufian) where agriculture was practiced, while pottery remained unknown. The work of Mallon and Neuville at Tuleilat el-Ghassul (since 1929) has disclosed an entirely new period of culture in Palestine, the chalcolithic of the fourth millennium B.C., of which absolutely nothing was previously known. The study of the archæological remains in the Jordan Valley shows that this later neglected region was the first part of Palestine to be occupied by a sedentary population.

Coming down into historical times, in the strict sense of the term, we are now able to follow the progress of settlement from the plains up into the

hills, where the forests which then covered them (what a contrast to modern Palestine!) were gradually cut down during the second half of the Bronze Age and the beginning of the Early Iron. We are able already to get some idea of the economic and social transformations which followed one another during the Bronze and Iron Ages, and to comprehend the reasons for them. We see the aristocratic culture of the Canaanites of the later Bronze Age replacing the earlier tribal organization, and being in its turn replaced in the Early Iron Age by a new democratic society—the Israelite commonwealth.

Thanks to the evidence furnished both by the Bible and by archæological discoveries, we are now able to follow the social and economic as well as the political evolution of Israel from an original tribal democracy until it finally became a highly organized priestly aristocracy with a commercial background in the post-Exilic period.

Year by year movements and details become clearer, so that we may look forward to a time in the near future when Palestinian archæology will materially contribute to our better understanding of the relation between land, environment, and people, a relation which still governs the land today, however obscured by temporary political factors.

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A Selected List of Books on Modern Palestine¹

Compiled by FLORENCE S. HELLMAN

Acting Chief Bibliographer, Library of Congress

Hebrew titles selected by DR. ISRAEL SCHAPIRO, in charge of Semitic Division
[The call numbers accompanying the entries are those of the Library of Congress.]

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APPENDIX

Mandate for Palestine, Together With a Note by the Secretary-General Relating to Its Application to the Territory Known as Trans-Jordan, Under the Provisions of Article 25

MANDATE FOR PALESTINE

The Council of the League of Nations:

Whereas the Principal Allied Powers have agreed, for the purpose of giving effect to the provisions of Article 22 of the Covenant of the League of Nations, to entrust to a Mandatory selected by the said Powers the administration of the territory of Palestine, which formerly belonged to the Turkish Empire, within such boundaries as may be fixed by them; and

Whereas the Principal Allied Powers have also agreed that the Mandatory should be responsible for putting into effect the declaration originally made on November 2, 1917, by the Government of His Britannic Majesty, and adopted by the said Powers, in favour of the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing should be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country; and

Whereas recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in that country; and

Whereas the Principal Allied Powers have selected His Britannic Majesty as the Mandatory for Palestine; and

Whereas the mandate in respect of Palestine has been formulated in the following terms and submitted to the Council of the League for approval; and

Whereas His Britannic Majesty has accepted the mandate in respect of Palestine and undertaken to exercise it on behalf of the League of Nations in conformity with the following provisions; and

Whereas by the afore-mentioned Article 22 (paragraph 8), it is provided that the

degree of authority, control or administration to be exercised by the Mandatory, not having been previously agreed upon by the Members of the League, shall be explicitly defined by the Council of the League of Nations;

Confirming the said mandate, defines its terms as follows:

Article 1

The Mandatory shall have full powers of legislation and of administration, save as they may be limited by the terms of this mandate.

Article 2

The Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

Article 3

The Mandatory shall, so far as circumstances permit, encourage local autonomy.

Article 4

An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and coöperating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organisation, so long as its organisation and constitution are in the opinion of the Mandatory appropriate, shall

be recognised as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the coöperation of all Jews who are willing to assist in the establishment of the Jewish national home.

Article 5

The Mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of, the Government of any foreign Power.

Article 6

The Administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions and shall encourage, in coöperation with the Jewish agency referred to in Article 4, close settlement by Jews on the land, including State lands and waste lands not required for public purposes.

Article 7

The Administration of Palestine shall be responsible for enacting a nationality law. There shall be included in this law provisions framed so as to facilitate the acquisition of Palestinian citizenship by Jews who take up their permanent residence in Palestine.

Article 8

The privileges and immunities of foreigners, including the benefits of consular jurisdiction and protection as formerly enjoyed by Capitulation or usage in the Ottoman Empire, shall not be applicable in Palestine.

Unless the Powers whose nationals enjoyed the afore-mentioned privileges and immunities on August 1, 1914, shall have previously renounced the right to their re-establishment, or shall have agreed to their non-application for a specified period, these privileges and immunities shall, at the expiration of the mandate, be immediately reestablished in their entirety or with such modifications as may have been agreed upon between the Powers concerned.

Article 9

The Mandatory shall be responsible for seeing that the judicial system established in Palestine shall assure to foreigners, as well as to natives, a complete guarantee of their rights.

Respect for the personal status of the various peoples and communities and for their religious interests shall be fully guaranteed. In particular, the control and administration of Wakfs shall be exercised in accordance with religious law and the dispositions of the founders.

Article 10

Pending the making of special extradition agreements relating to Palestine, the extradition treaties in force between the Mandatory and other foreign Powers shall apply to Palestine.

Article 11

The Administration of Palestine shall take all necessary measures to safeguard the interests of the community in connection with the development of the country, and, subject to any international obligations accepted by the Mandatory, shall have full power to provide for public ownership or control of any of the natural resources of the country or of the public works, services and utilities established or to be established therein. It shall introduce a land system appropriate to the needs of the country, having regard, among other things, to the desirability of promoting the close settlement and intensive cultivation of the land.

The Administration may arrange with the Jewish agency mentioned in Article 4 to construct or operate, upon fair and equitable terms, any public works, services and utilities, and to develop any of the natural resources of the country, in so far as these matters are not directly undertaken by the Administration. Any such arrangements shall provide that no profits distributed by such agency, directly or indirectly, shall exceed a reasonable rate of interest on the capital, and any further profits shall be utilised by it for the benefit of the country in a manner approved by the Administration.

Article 12

The Mandatory shall be entrusted with the control of the foreign relations of Palestine and the right to issue exequaturs to consuls appointed by foreign Powers. He shall also be entitled to afford diplomatic and consular protection to citizens of Palestine when outside its territorial limits.

Article 13

All responsibility in connection with the Holy Places and religious buildings or sites in Palestine, including that of preserving existing rights and of securing free access to the Holy Places, religious buildings and sites and the free exercise of worship, while ensuring the requirements of public order and decorum, is assumed by the Mandatory, who shall be responsible solely to the League of Nations in all matters connected herewith, provided that nothing in this article shall prevent the Mandatory from entering into such arrangements as he may deem reasonable with the Administration for the purpose of carrying the provisions of this article into effect; and provided also that nothing in this mandate shall be construed as conferring upon the Mandatory authority to interfere with the fabric or the management of purely Moslem sacred shrines, the immunities of which are guaranteed.

Article 14

A special Commission shall be appointed by the Mandatory to study, define and determine the rights and claims in connection with the Holy Places and the rights and claims relating to the different religious communities in Palestine. The method of nomination, the composition and the functions of this Commission shall be submitted to the Council of the League for its approval, and the Commission shall not be appointed or enter upon its functions without the approval of the Council.

Article 15

The Mandatory shall see that complete freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals, are ensured to all. No discrimination of

any kind shall be made between the inhabitants of Palestine on the ground of race, religion or language. No person shall be excluded from Palestine on the sole ground of his religious belief.

The right of each community to maintain its own schools for the education of its own members in its own language, while conforming to such educational requirements of a general nature as the Administration may impose, shall not be denied or impaired.

Article 16

The Mandatory shall be responsible for exercising such supervision over religious or eleemosynary bodies of all faiths in Palestine as may be required for the maintenance of public order and good government. Subject to such supervision, no measures shall be taken in Palestine to obstruct or interfere with the enterprise of such bodies or to discriminate against any representative or member of them on the ground of his religion or nationality.

Article 17

The Administration of Palestine may organise on a voluntary basis the forces necessary for the preservation of peace and order, and also for the defence of the country, subject, however, to the supervision of the Mandatory, but shall not use them for purposes other than those above specified save with the consent of the Mandatory. Except for such purposes, no military, naval or air forces shall be raised or maintained by the Administration of Palestine.

Nothing in this article shall preclude the Administration of Palestine from contributing to the cost of the maintenance of the forces of the Mandatory in Palestine.

The Mandatory shall be entitled at all times to use the roads, railways and ports of Palestine for the movement of armed forces and the carriage of fuel and supplies.

Article 18

The Mandatory shall see that there is no discrimination in Palestine against the nationals of any State Member of the League of Nations (including companies incorporated under its laws) as compared with those of the Mandatory or of any

foreign State in matters concerning taxation, commerce or navigation, the exercise of industries or professions, or in the treatment of merchant vessels or civil aircraft. Similarly, there shall be no discrimination in Palestine against goods originating in or destined for any of the said States, and there shall be freedom of transit under equitable conditions across the mandated area.

Subject as aforesaid and to the other provisions of this mandate, the Administration of Palestine may, on the advice of the Mandatory, impose such taxes and customs duties as it may consider necessary, and take such steps as it may think best to promote the development of the natural resources of the country and to safeguard the interests of the population. It may also, on the advice of the Mandatory, conclude a special customs agreement with any State the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia.

Article 19

The Mandatory shall adhere on behalf of the Administration of Palestine to any general international conventions already existing, or which may be concluded hereafter with the approval of the League of Nations, respecting the slave traffic, the traffic in arms and ammunition, or the traffic in drugs, or relating to commercial equality, freedom of transit and navigation, aerial navigation and postal, telegraphic and wireless communication or literary, artistic or industrial property.

Article 20

The Mandatory shall coöperate on behalf of the Administration of Palestine, so far as religious, social and other conditions may permit, in the execution of any common policy adopted by the League of Nations for preventing and combating disease, including diseases of plants and animals.

Article 21

The Mandatory shall secure the enactment within twelve months from this date, and shall ensure the execution of a Law of Antiquities based on the following rules. This law shall ensure equality of treatment

in the matter of excavations and archaeological research to the nations of all States Members of the League of Nations.

(1)

"Antiquity" means any construction or any product of human activity earlier than the year A.D. 1700.

(2)

The law for the protection of antiquities shall proceed by encouragement rather than by threat.

Any person who, having discovered an antiquity without being furnished with the authorisation referred to in paragraph 5, reports the same to an official of the competent Department, shall be rewarded according to the value of the discovery.

(3)

No antiquity may be disposed of except to the competent Department, unless this Department renounces the acquisition of any such antiquity.

No antiquity may leave the country without an export licence from the said Department.

(4)

Any person who maliciously or negligently destroys or damages an antiquity shall be liable to a penalty to be fixed.

(5)

No clearing of ground or digging with the object of finding antiquities shall be permitted, under penalty of fine, except to persons authorised by the competent Department.

(6)

Equitable terms shall be fixed for expropriation, temporary or permanent, of lands which might be of historical or archaeological interest.

(7)

Authorisation to excavate shall only be granted to persons who show sufficient guarantees of archaeological experience. The Administration of Palestine shall not, in granting these authorisations, act in such a way as to exclude scholars of any nation without good grounds.

(8)

The proceeds of excavations may be divided between the excavator and the competent Department in a proportion fixed by that Department. If division seems impossible for scientific reasons, the excavator shall receive a fair indemnity in lieu of a part of the find.

Article 22

English, Arabic and Hebrew shall be the official languages of Palestine. Any statement or inscription in Arabic on stamps or money in Palestine shall be repeated in Hebrew, and any statement or inscription in Hebrew shall be repeated in Arabic.

Article 23

The Administration of Palestine shall recognise the holy days of the respective communities in Palestine as legal days of rest for the members of such communities.

Article 24

The Mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council as to the measures taken during the year to carry out the provisions of the mandate. Copies of all laws and regulations promulgated or issued during the year shall be communicated with the report.

Article 25

In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the Mandatory shall be entitled, with the consent of the Council of the League of Nations, to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided that no action shall be taken which is inconsistent with the provisions of Articles 15, 16 and 18.

Article 26

The Mandatory agrees that, if any dispute whatever should arise between the Mandatory and another Member of the

League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by Article 14 of the Covenant of the League of Nations.

Article 27

The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

Article 28

In the event of the termination of the mandate hereby conferred upon the Mandatory, the Council of the League of Nations shall make such arrangements as may be deemed necessary for safeguarding in perpetuity, under guarantee of the League, the rights secured by Articles 13 and 14, and shall use its influence for securing, under the guarantee of the League, that the Government of Palestine will fully honour the financial obligations legitimately incurred by the Administration of Palestine during the period of the mandate, including the rights of public servants to pensions or gratuities.

The present instrument shall be deposited in original in the archives of the League of Nations and certified copies shall be forwarded by the Secretary-General of the League of Nations to all Members of the League.

Done at London the twenty-fourth day of July, one thousand nine hundred and twenty-two.

Certified true copy:

For the Secretary-General,

RAPPARD,

Director of the Mandates Section.

NOTE

GENEVA, September 23, 1922.

ARTICLE 25 OF THE PALESTINE MANDATE
Territory known as Trans-Jordan

NOTE BY THE SECRETARY-GENERAL

The Secretary-General has the honour to communicate for the information of the Members of the League, a memorandum relating to Article 25 of the Palestine

Mandate presented by the British Government to the Council of the League on September 16, 1922.

The memorandum was approved by the Council subject to the decision taken at its meeting in London on July 24, 1922, with regard to the coming into force of the Palestine and Syrian mandates.

MEMORANDUM BY THE BRITISH
REPRESENTATIVE

1. Article 25 of the Mandate for Palestine provides as follows:

"In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the Mandatory shall be entitled, with the consent of the Council of the League of Nations, to postpone or withhold application of such provisions of this Mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided no action shall be taken which is inconsistent with the provisions of Articles 15, 16 and 18."

2. In pursuance of the provisions of this Article, His Majesty's Government invite the Council to pass the following resolution:

"The following provisions of the Mandate for Palestine are not applicable to the territory known as Trans-Jordan, which comprises all territory lying to the east of a line drawn from a point two miles west of the town of Akaba on the Gulf of that name up the centre of the Wady Araba, Dead Sea and River

Jordan to its junction with the River Yarmuk; thence up the centre of that river to the Syrian Frontier."

Preamble.—Recitals 2 and 3.

Article 2.—The words "placing the country under such political administration and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and".

Article 4.

Article 6.

Article 7.—The sentence "There shall be included in this law provisions framed so as to facilitate the acquisition of Palestinian citizenship by Jews who take up their permanent residence in Palestine."

Article 11.—The second sentence of the first paragraph and the second paragraph.

Article 13.

Article 14.

Article 22.

Article 23.

In the application of the Mandate to Trans-Jordan, the action which, in Palestine, is taken by the Administration of the latter country, will be taken by the Administration of Trans-Jordan under the general supervision of the Mandatory.

3. His Majesty's Government accept full responsibility as Mandatory for Trans-Jordan, and undertake that such provision as may be made for the administration of that territory in accordance with Article 25 of the Mandate shall be in no way inconsistent with those provisions of the Mandate which are not by this resolution declared inapplicable.

TEXT OF PREMIER'S LETTER ON PALESTINE

New York Times, February 14, 1931, by Jewish Telegraph Agency

LONDON, Feb. 13.—The following is the full text of Premier MacDonald's letter today to Dr. Chaim Weizmann, clarifying the British policy on Palestine:

Dear Dr. Weizmann:

In order to remove certain misconceptions and misunderstandings which have arisen as to the policy of his Majesty's Government with regard to Palestine, as set forth in the White Paper of October, 1930, and which were the subject of a debate in the House of Commons on November 17, and also to meet certain criticisms put forward by the Jewish Agency, I have pleasure in forwarding you the following statement of our position, which will fall to be read as the authoritative interpretation of the White Paper on the matters with which this letter deals.

It has been said that the policy of his Majesty's government involves a serious departure from the obligations of the mandate as hitherto understood; that it misconceives the mandatory obligations, and that it foreshadows a policy which is inconsistent with the obligations of the mandatory to the Jewish people.

His Majesty's Government did not regard it as necessary to quote in extenso the declarations of policy which have been previously made, but attention is drawn to the fact that, not only does the White Paper of 1930 refer to and endorse the White Paper of 1922, which has been accepted by the Jewish Agency, but it recognizes that the undertaking of the mandate is an undertaking to the Jewish people and not only to the Jewish population of Palestine. The White Paper places in the foreground of its statement the speech I made in the House of Commons on the 3d of April, 1930, in which I announced, in words that could not have been made more plain, that it was the intention of his Majesty's Government to continue to administer Palestine in accordance with the terms of the mandate as approved by the Council of the League of Nations. That position has been reaffirmed and again

made plain by my speech in the House of Commons on the 17th of November. In this speech on the 3d of April I used the following language:

"His Majesty's Government will continue to administer Palestine in accordance with the terms of the mandate as approved by the Council of the League of Nations. This is an international obligation from which there can be no question of receding.

"Under the terms of the mandate his Majesty's Government are responsible for promoting the establishment of a national home for the Jewish people, it being clearly understood that nothing shall be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

"A double undertaking is involved, to the Jewish people on the one hand and to the non-Jewish population of Palestine on the other; and it is the firm resolve of his Majesty's Government to give effect, in equal measure, to both parts of the declaration and to do equal justice to all sections of the population of Palestine. That is a duty from which they will not shrink and to discharge of which they will apply all the resources at their command."

DECLARATION IS REAFFIRMED

That declaration is in conformity not only with the articles but also with the preamble of the mandate, which is hereby explicitly reaffirmed.

In carrying out the policy of the mandate the mandatory cannot ignore the existence of the differing interests and viewpoints. These, indeed, are not in themselves irreconcilable, but they can only be reconciled if there is a proper realization that the full solution of the problem depends upon an understanding between the Jews and the Arabs. Until that is reached, considerations of balance must inevitably enter into the definition of policy.

A good deal of criticism has been directed to the White Paper upon the assertion that

it contains injurious allegations against the Jewish people and Jewish labor organizations. Any such intention on the part of his Majesty's Government is expressly disavowed. It is recognized that the Jewish Agency have all along given willing coöperation in carrying out the policy of the mandate and that the constructive work done by the Jewish people in Palestine has had beneficial effects on the development and well-being of the country as a whole. His Majesty's Government also recognize the value of the services of labor and trades union organizations in Palestine, to which they desire to give every encouragement.

A question has arisen as to the meaning to be attached to the words "safeguarding the civil and religious rights of all inhabitants of Palestine irrespective of race and religion" occurring in Article II, and the words "insuring that the rights and position of other sections of the population are not prejudiced" occurring in Article VI of the mandate. The words "safeguarding the civil and religious rights" occurring in Article II cannot be read as meaning that the civil and religious rights of individual citizens are unalterable. In the case of *Suleiman Murra*, to which reference has been made, the Privy Council, in construing these words of Article II said "It does not mean . . . that all the civil rights of every inhabitant of Palestine which existed at the date of the mandate are to remain unaltered throughout its duration; for if there were to be a condition of the mandatory jurisdiction, no effective legislation would be possible." The words, accordingly, must be read in another sense, and the key to the true purpose and meaning of the sentence is to be found in the concluding words of the article, "irrespective of race and religion." These words indicate that in respect of civil and religious rights the mandatory is not to discriminate between persons on the ground of religion or race, and this protective provision applies equally to Jews, Arabs and all sections of the population.

RIGHTS NOT TO BE IMPAIRED

The words "rights and position of other sections of the population," occurring in

Article VI, plainly refer to the non-Jewish community. These rights and position are not to be prejudiced; that is, are not to be impaired or made worse. The effect of the policy of immigration and settlement on the economic position of the non-Jewish community cannot be excluded from consideration. But the words are not to be read as implying that existing economic conditions in Palestine should be crystallized. On the contrary, the obligation to facilitate Jewish immigration and to encourage close settlement by Jews on the land remains a positive obligation of the mandate and it can be fulfilled without prejudice to the rights and position of other sections of the population of Palestine.

We may proceed to the contention that the mandate has been interpreted in a manner highly prejudicial to Jewish interests in the vital matters of land settlement and immigration. It has been said that the policy of the White Paper would place an embargo on immigration and would suspend, if not indeed terminate, the close settlement of the Jews on the land, which is a primary purpose of the mandate. In support of this contention particular stress has been laid upon the passage referring to State lands in the White Paper, which says that "it would not be possible to make available for Jewish settlement in view of their actual occupation by Arab cultivators and of the importance of making available suitable land on which to place the Arab cultivators who are now landless."

The language of this passage needs to be read in the light of the policy as a whole. It is desirable to make it clear that the landless Arabs, to whom it was intended to refer in the passage quoted, were such Arabs as can be shown to have been displaced from the lands on which they can establish themselves, or other equally satisfactory occupation. The number of such displaced Arabs must be a matter for careful inquiry. It is to landless Arabs within this category that his Majesty's Government feels itself under an obligation to facilitate their settlement upon the land. The recognition of this obligation in no way detracts from the larger purposes of development which his Majesty's Govern-

ment regards as the most effectual means of furthering the establishment of a national home for the Jews.

PROBLEMS FOR CONSIDERATION

In framing a policy of land settlement it is essential that his Majesty's Government should take into consideration every circumstance that is relevant to the main purposes of the mandate. The area of cultivable land, the possibilities of irrigation, the absorptive capacity of the country in relation to immigration, are all elements pertinent to the issues to be elucidated, and the neglect of any one of them would be prejudicial to the formation of a just and stable policy.

It is the intention of his Majesty's Government to institute an inquiry as soon as possible to ascertain *inter alia* what State and other lands are, or properly can be made, available for close settlement by Jews under reference to the obligation imposed upon the mandatory by Article VI of the mandate. This inquiry will be comprehensive in its scope, and will include the whole land resources of Palestine. In the conduct of the inquiry provision will be made for all interests, whether Jewish or Arab, making such representations as it may be desired to put forward.

The question of the congestion amongst the fellaheen of the hill districts of Palestine is receiving the careful consideration of his Majesty's Government. It is contemplated that measures will be devised for the improvement and intensive development of the land, and for bringing into cultivation areas which hitherto may have remained uncultivated, and thereby securing to the fellaheen a better standard of living without, save in exceptional cases, having recourse to transfer.

In giving effect to the policy of land settlement as contemplated in Article XI of the mandate, it is necessary, if disorganization is to be avoided, and if the policy is to have a chance to succeed, that there should exist some centralized control of transactions relating to the acquisition and transfer of land during such interim period as may reasonably be necessary to place the development scheme upon a sure foundation. The power contemplated is regu-

lative and not prohibitory, although it does involve a power to prevent transactions which are inconsistent with the tenor of the scheme. But the exercise of the power will be limited and in no respect arbitrary. In every case it will be conditioned by considerations as to how best to give effect to the purposes of the mandate. Any control contemplated will be fenced with due safeguards to secure as little interference as possible with the free transfer of land. The centralized control will take effect as from such date only as the authority charged with the duty of carrying out the policy of land development shall begin to operate. The High Commissioner shall, pending the establishment of such centralized control, have full powers to take all steps necessary to protect the tenancy and occupancy rights, including the rights of squatters, throughout Palestine.

NO PROHIBITION IS IMPLIED

Further, the statement of policy of his Majesty's Government did not imply a prohibition of acquisition of additional land by Jews. It contains no such prohibition, nor is any such intended. What it does contemplate is such temporary control of land disposition and transfers as may be necessary not to impair the harmony and effectiveness of the scheme of land settlement to be undertaken. His Majesty's Government feels bound to point out that it alone of the governments which have been responsible for the administration of Palestine since the acceptance of the mandate has declared its definite intention to initiate an active policy of development, which it is believed will result in a substantial and lasting benefit to both Jews and Arabs.

Cognate to this question is the control of immigration. It must first of all be pointed out that such control is not in any sense a departure from previous policy. From 1920 onward, when the original immigration ordinance came into force, regulations for the control of immigration have been issued from time to time, directed to prevent illicit entry and to define and facilitate authorized entry. This right of regulation has at no time been challenged.

But the intention of his Majesty's government appears to have been represented as being that "no further immigration of Jews is to be permitted so long as it might prevent any Arab from obtaining employment." His Majesty's Government never proposed to pursue such a policy. They were concerned to state that, in the regulation of Jewish immigration, the following principles should apply: viz., that "it is essential to insure that the immigrants should not be a burden on the people of Palestine as a whole, and that they should not deprive any section of the present population as a whole, and that they should not deprive any section of the present population of their employment." (White Paper 1922.)

In one aspect, his Majesty's Government have to be mindful of their obligations to facilitate Jewish immigration under suitable conditions, and to encourage close settlement by Jews on the land; in the other aspect, they have to be equally mindful of their duty to insure that no prejudice results to the rights and position of the non-Jewish community. It is because of this apparent conflict of obligations that his Majesty's Government have felt bound to emphasize the necessity of the proper application of the absorptive capacity principle.

That principle is vital to any scheme of development, the primary purpose of which must be the settlement both of Jews and of displaced Arabs on the land. It is for that reason that his Majesty's Government have insisted, and are compelled to insist, that government immigration regulations must be properly applied. The considerations relevant to the limits of absorptive capacity are purely economic considerations.

NO STOPPAGE OF IMMIGRATION

His Majesty's government did not prescribe and do not contemplate any stoppage or prohibition of Jewish immigration in any of its categories. The practice of sanctioning a labor schedule of wage-earning immigrants will continue. In each case consideration will be given to anticipated labor requirements for works which, being dependent upon Jewish or mainly Jewish

capital, would not be or would not have been undertaken unless Jewish labor was available. With regard to public and municipal works failing to be financed out of public funds, the claim of Jewish labor to a due share of the employment available, taking into account Jewish contributions to public revenue, shall be taken into consideration. As regards other kinds of employment, it will be necessary in each case to take into account the factors bearing upon the demand for labor, including the factor of unemployment among both the Jews and the Arabs.

Immigrants with prospects of employment other than employment of a purely ephemeral character will not be excluded on the sole ground that the employment cannot be guaranteed to be of unlimited duration.

In determining the extent to which immigration at any time may be permitted it is necessary also to have regard to the declared policy of the Jewish Agency to the effect that "in all the works or undertakings carried out or furthered by the Agency it shall be deemed to be a matter of principle that Jewish labor shall be employed." His Majesty's Government do not in any way challenge the right of the Agency to formulate or approve and endorse this policy. The principle of preferential, and indeed exclusive, employment of Jewish labor by Jewish organizations is a principle which the Jewish Agency are entitled to affirm. But it must be pointed out that if in consequence of this policy Arab labor is displaced or existing unemployment becomes aggravated, that is a factor in the situation to which the mandatory is bound to have regard.

His Majesty's government desire to say, finally, as they have repeatedly and unequivocally affirmed, that the obligations imposed upon the mandatory by its acceptance of the mandate are solemn international obligations from which there is not now, nor has there been at any time, any intention to depart. To the tasks imposed by the mandate, his Majesty's government have set their hand, and they will not withdraw it. But if their efforts are to be successful, there is need for coöperation, confidence, readiness on all sides to ap-

THE FRENCH SOCIAL INSURANCE ACT

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The French Social Insurance Act¹

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IN APRIL 1930, the French Parliament finally passed a comprehensive law on social insurance after nearly ten years of parliamentary discussion, and this measure has now been in force for nearly two years. By it, approximately eight and three-quarter million employed workers are provided with cash and medical benefits in the case of illness and invalidity, and also with old age insurance. In addition, there is provision for maternity and death benefits and for medical care for the families of the insured.

The Act was, as indicated, the culmination of a long process of discussion and investigation, during which many changes were made in the original draft. In order, therefore, to understand the final result, it is necessary to trace the history of the Act from its original proposal in 1921 and to note the various influences and considerations which led the French Parliament to make the changes which it did. After that is done, we may proceed with an analysis of the final measure and with an account of the administrative experience under it.

I. THE ORIGIN OF THE MEASURE

At the end of the War and with the restoration of Alsace and Lorraine, France found herself in a most ambiguous position in the matter of social insurance; for while the German system of health insurance and old age pensions was in full force in the restored provinces,² such protection was extremely scanty in the rest of France. The French Parliament had, to be sure, passed an old age pensions act in 1910,³ but by a decision of the highest

court it had been held that the employers were not compelled to deduct the workers' contribution or forward it to the agency in charge of the act. This was a direct body blow at the law, and largely nullified it. The great shock which the War gave to the economic and social life of France still further weakened the act.

Health insurance was, to be sure, furnished to the miners on a compulsory basis,⁴ and a network of 18,000 mutual benefit or friendly societies provided voluntary insurance to an adult membership of approximately 2,500,000.⁵ These friendly societies,

¹ The following abbreviations are used in referring to various sources:

L.=*Loi sur les assurances sociales*. (The text used is that of the International Labor Office.)

J. O.=*Journal Officiel*.

Deb. Parl.=*Débat Parlementaires*.

R. G.=*Recueil-Générale des Textes Concernant Les Assurances Sociales*.

² For a description of the situation in these provinces see Challet and Hamon, *Le Problème des Assurances Sociales en Alsace-Lorraine* (1919); *Code des Assurances Sociales du 1911* (1921); *Les Assurances Sociales de l'Industrie Lorraine en 1920-1921*.

³ For a description of the 1910 old age pension

law before the courts limited its application, see L. Courcelle, *Les Retraites Ouvrières et Paysannes* (1912); G. Salaun, *Les Retraites Ouvrières et Paysannes* (1912); R. Alibert, *Les Retraites Ouvrières* (1911); A. Sachet, *Traité Technique et Pratique de la Législation sur les Retraites Ouvrières et Paysannes* (1911); and M. Felix, *Les Retraites Ouvrières et Paysannes* (1913).

⁴ International Labor Office, *Compulsory Sickness Insurance*, pp. 82-87.

⁵ See A. Gourdin, *Les Sociétés de Secours*

however, were largely composed of self-employed artisans, shopkeepers, and peasants, and salaried workers, rather than wage-workers as such.

The benefits of the friendly societies, always somewhat meager, had moreover been reduced by the War and the increase in prices, so that in 1920 the combined cash and medical benefits averaged only 16.5 francs a year for each insured person.

There was thus a sharp contrast between the protection against the interruptions of working-class income with which Germany had provided her workers and in which Alsace-Lorraine had shared, and that furnished by France. It was apparent that this dichotomy within France could not long continue. To abolish social insurance in Alsace-Lorraine would have aroused a storm of opposition there and would have strengthened the separatist and anti-French faction. To permit the glaring difference to continue would have aroused discontent in other sections of the country and would have been a source of injury to French pride. It was therefore thought wiser to obtain uniformity by extending social insurance to cover all France.

It was indeed no accident that the declaration of this policy was made by M. Millerand, the former High Commissioner for Alsace-Lorraine, after he became Premier in 1920. The work of preparing the text of the law was moreover begun under the direction of an Alsatian, namely M. Jourdain, the Minister of Labor in the Millerand Cabinet. Thus the seed sown in Germany in the eighties by the social legislation of Bismarck came to bear fruit upon the soil of victorious France.⁶

Mutuels; International Labor Office, *Voluntary Sick-ness Insurance*, pp. 180-182.

⁶ The French Government was very frank in admitting the necessity of harmonizing conditions with those in Alsace-Lorraine. See the

There were, however, two other forces which contributed greatly towards the Government's decision to sponsor such a law. The first was the feeling that some further protection must be given to the workers if the danger of social unrest and of Bolshevism was safely to be averted; the second was the justifiable alarm at the high death rate of France—a rate which has in recent years been very appreciably higher than those of Great Britain and Germany.

Impelled by these reasons, therefore, the committee appointed by the Minister of Labor worked through the latter part of 1920 and produced a draft which was apparently largely the work of M. Cohen-Salvador.⁷ It was presented to the Chamber of Deputies on March 22, 1921, by M. Millerand—who had been elected President in the interim—Prime Minister Briand, the Minister of Labor who had replaced M. Jourdain, Daniel Vincent, and M. Paul Doumer, then Minister of Finance and now President of the Republic.

THE ORIGINAL BILL

The bill in its original form⁸ provided for a system of compulsory insurance for all employed workers and *métayers* receiving less than 10,000 francs a year, with voluntary insurance for the self-employed whose incomes did not exceed this amount. The workers and employers were each to

Exposé des motifs—Projet de Loi sur les Assurances Sociales, No. 2369, Chambre des Députés, p. 10: "With the return to the mother country, the contrast is striking between the situation of the worker in one of three restored departments who can claim the application of social insurance legislation which is widely established and the fate of a worker in the other departments who is not able to benefit from them."

⁷ See his outline of the Bill, *Rapport sur les Assurances Sociales* (1921).

⁸ No. 2369. Chambre des Députés, Douzième Législature, Session de 1921. *Projet de Loi sur les Assurances Sociales*.

contribute 5 per cent of the basic wage in each of the six categories into which the workers were divided according to their earnings,⁹ or a total of 10 per cent.

The bill provided medical and cash benefits for a period of six months to employed workers who were ill, together with medical care for themselves and their immediate families and cash benefits with some medical attention for those who were invalids. In addition, old age pensions were granted to those employed workers who reached the age of sixty, with some pliability provided for those who wished them earlier or wanted to postpone them until later. Finally, supplementary benefits were proposed which included: (1) cash benefits for insured women before and after childbirth, and medical attention during this period for the wives of the insured as well as for the gainfully employed women; (2) allowances for dependent children, and birth bonuses; and (3) death benefits.

The state was also to contribute towards the expense of the system, not only by carrying over the subventions which it was already granting under the 1910 old age pensions act, but also by bearing the costs of administration, by underwriting the invalidity and old age pensions during the early years when the accumulated premiums would be insufficient to pay the guaranteed sums, and finally by paying for the children's allowances and the birth bonuses.

The bill was especially interesting in its provisions for medical organization, insurance, and administration. Insured workers were to have free choice of their physician, but only from a list approved by the insurance fund with which they were affiliated. The doc-

tors in a given region were to be paid out of a total sum fixed by agreement, if possible, between the insurance funds and the appropriate medical associations at so much a head. This global amount was then to be turned over to the medical associations, who were to divide it among the doctors on the basis of the number of their visits, and so forth. To prevent the insured workers and their families from causing the doctors unnecessary trouble, the patients were to pay a small fee ranging between one quarter and three quarters of a franc for each visit.

From the text of the bill, it is apparent that while the draftsmen paid homage to the work of the mutual or friendly societies, they wished to confine by far the major portion of the insurance to a group of twenty-five regional funds which were to be set up. These were to have a monopoly upon the carrying of invalidity and death insurance; and unless the workers specifically stated that they wished to enroll in the friendly societies for their sickness, maternity, and old age insurance, they were automatically registered with the regional funds for these purposes as well. These funds were also to be the agencies for collecting and distributing the assessments, and were to work with the accompanying regional offices in the general administration of the Act. They were moreover intended to participate actively in the construction and maintenance of hospitals, sanatoria, and the like, and to be active in the cause of preventive medicine.

The provisions for insurance and administration indicated a strong desire on the part of the authors to break away from the usual French forms of state administration. Not only did the units of administration—namely, the twenty-five regions—cut across the political units of the ninety depart-

⁹ This division into wage categories was of course borrowed from the German system which existed in Alsace-Lorraine. It has since been also adopted by Germany for her system of unemployment insurance.

ments, but the actual conduct of affairs in each fund, and to a lesser degree in each parallel regional office, was confided to an autonomous board upon which the insured had half of the representatives, and the employers one quarter.¹⁰

Over all of these funds, friendly as well as regional, was created a general guarantee fund to help guarantee any defects which might occur, and which, in addition to other resources, was given two thirds of the surplus which

any individual fund might accumulate in any given year.

The Government draft, upon being introduced into the Chamber of Deputies, was referred to the Committee on Social Insurance. During the nine years which followed before an act was finally passed, a wealth of detailed documentation was accumulated which has seldom been equaled in French Parliamentary history, and a series of political moves were indulged in which are of distinct interest.

II. THE COURSE OF THE BILL IN PARLIAMENT

So far-reaching a proposal naturally affected the interests of nearly every important group in the population, and these groups soon began to define their attitudes and to bring pressure to have their wishes followed. The history of the act and its final form were indeed largely influenced by the action of these groups.

In the early stages of the discussion, the employers' associations, with the exception of those in Alsace-Lorraine, Lyons, and Grenoble, in the main opposed the principle of compulsion on the ground that it involved them in an appreciably increased expense and deprived those who had already installed some such measures¹¹ of the prestige among their workmen which voluntary action had given them.¹² These objections were however brushed aside by the vast majority of the legislators,

and throughout the history of the bill, compulsion was recognized as essential if any considerable number of workers and their families were to be protected in illness, invalidity, and old age.¹³

The second objection of the employers to the bill was that it attempted too much and that it was wrong to combine illness, invalidity, and old age in the same measure. Social insurance, they urged, should progress by stages and not appear suddenly as a unified whole.¹⁴ To this contention, however, Dr. Grinda, who prepared the earlier reports for the Social Insurance Committee of the Chamber, replied that this problem must be dealt with as a whole, since it would be unfair to provide for slight illnesses and not for serious invalidity, and equally so to pension those who were disabled before the age of sixty but not those who suffered after that age. He concluded that "from the social point of view, it is impossible to organize insurance against illness unless it is completed

¹⁰ In the case of the regional offices, the workers and employers together had one half of the members.

¹¹ For a description of these measures in the metal industry, and more particularly of those fostered by the Comité des Forges, see R. Pinot, *Les Oeuvres Sociales des Industries Métallurgiques* (1924).

¹² For a résumé of these objections, see A. Rey, *Les Assurances Sociales*, pp. 112-125; and Montchrétien, *Le Problème des Assurances Sociales en France* (1922), pp. 166-93.

¹³ For an excellent treatment of this point, see the report by Deputy Edouard Grinda, *D. P. Chambre* (Annexe No. 5505), Jan. 31, 1923, pp. 38-39.

¹⁴ See Montchrétien, *op. cit.*, pp. 224-30; and Henry Solus, *Le Projet de Loi sur les Assurances Sociales* (1922).

by insurance against invalidity and equally so to provide insurance against invalidity without insurance against old age."¹⁵

Defeated in these two lines of effort, the next move which the employers made was to urge through the Jeantet amendments that the insurance should be handled so far as possible on the basis of industries rather than regions, and that purely trade-union friendly societies should give way to these joint bodies, upon whose governing boards were to be equal numbers of employers and workers.¹⁶ But although these amendments were supported by most of the parties of the right, they were defeated in 1924 and played no important part after that.¹⁷

ATTITUDES OF WORKERS

The various working-class organizations, with the exception of the Communists, gave active support to the main principles of the bill, but with some natural differences of emphasis. The Catholic Trade Unions, for example, led by Gaston Tessier, supported the measure throughout. So did the Confédération Générale du Travail, which organized many meetings to hasten the passage of the bill.¹⁸ The latter organization, however, urged that the benefits to the workers should be increased, that insurance against unemployment should be included in

the measure, and that the power of the employers to create establishment funds should be sharply limited.¹⁹ It did not, however, object to the contributions by the workers towards the expense; indeed, this feature was warmly advocated by its most competent expert on the subject, M. Rey, as a necessary means of insuring to the workers adequate representation in the administration of the measure.²⁰

The Socialist Party gave its warm advocacy to the bill throughout, but in the early stages favored transferring to the state the share of the contributions marked out for labor.²¹ By 1928, however, when the bill was apparently coming to a final vote, the Socialists had come to defend the principle of contributions by the workers, as was evidenced by the speech of their spokesman, M. Lebas, in the Chamber of Deputies.²²

The Communists were, as intimated, the one working-class group which opposed the bill. This they did on the familiar ground that it was designed to promote harmony between the workers and the bourgeois state, and hence to further "class collaboration." They were naturally hostile to the idea that the workers should contribute, and declared that if the bill were passed they would try by means of strikes to compel the employers to assume the workers' share.²³

¹⁵ Annexe No. 5505. *D. P. Chambre*, Jan. 31, 1931, p. 39.

¹⁶ For the original proposal of these Jeantet amendments, see Annexe No. 6787. *Chambre des Députés*, July 12, 1923. *Avis Présenté au Nom de la Commission du Travail*, par M. Jeantet, pp. 16-22. See also *J. O.*, Oct., 27, 1922. M. Degas, in his *Les Assurances Sociales* (1924), pp. 251-274, analyzes these amendments.

¹⁷ For the final action see *J. O. Débats Parlementaires Chambre des Députés*, 1924, pp. 1891-93.

¹⁸ See *Assurances Sociales*, Conférences faites à Marseille 1924 (1925); Robert Perdon, *L'Histoire des Assurances Sociales en France* (1927).

¹⁹ Rey, *Les Assurances Sociales*, pp. 383-389.

²⁰ *Ibid.*, pp. 165-171.

²¹ René Cabannes, *Les Assurances Sociales et le Socialisme* (1925), pp. 6-7.

²² *J. O. Débats Parlementaires, Chambre des Députés* (1928), pp. 1290-1291.

²³ See the statement by the Communist Robert Louzon in *L'Humanité*, Jan. 8, 1924. "Will [social insurance] better the condition of the workers? That will depend not on what happens in Parliament but on that which finally happens between workers and employers on the battlefield of strikes." Quoted by Rey, *op. cit.*, pp. 161-162.

ATTITUDE OF THE FRIENDLY SOCIETIES

The mutual benefit or friendly societies, which in France have been either largely composed of or under the influence of the middle classes,²⁴ had come to see that compulsion was probably necessary if an adequate system of social insurance was to be built up, and consequently did not oppose this feature of the bill.²⁵ They did, however, strenuously object to the position which had been assigned to them in the administration of the act, and declared that in comparison with the dominant regional funds, their place would be very minor indeed. They urged instead that their societies, which they termed "the living cells,"²⁶ should be given the chief place, because they would be closer to the workers and would have both a stronger incentive and better ability to check malingerers. This utilization of voluntary organization was, they insisted, the distinctly French method of administration as compared with the German model, which, they intimated, the Government had followed in its draft.²⁷

ATTITUDE OF THE DOCTORS

The strongly organized medical profession was no more backward in pushing its claims. The doctors were in

general distinctly hostile to the measure. They feared that their practice would be regimented, and alleged that since they would be expected to detect and to report the instances of malingering, the relationship of trust between physician and patient would be destroyed.²⁸ Perhaps most of all, however, they objected to the method whereby the global amount available for medical care was to be computed on a per capita basis.

THE REVISED DRAFT

Faced by such attitudes, which they canvassed thoroughly, the Social Insurance Committee of the Chamber of Deputies worked carefully over the text, and after nearly two years, produced a revised draft. At the end of January 1923, accompanied by a very able report from Deputy Edward Grinda,²⁹ while the new bill made some minor changes in the assessments and benefits provided, the main alterations were in the provisions governing the payment of the doctors and the nature of the insurance funds. The explicit provision that the total amount for medical service was to be computed on a per capita basis was abandoned, and the whole problem of medical remuneration was left for each fund to settle in agreement with the appropriate medical association.

The burden of effort as to the affiliation of the insured with the mutual or friendly societies was reversed. Instead of all workers being presumed to affiliate with the regional fund in the absence of a special declaration in favor of a friendly society, all workers who were already members of a friendly society were presumed to continue as

²⁴ For a history of these societies see André Gourdin, *Les Sociétés de Secours Mutuels* (1920); J. Barbaret, *Les Sociétés de Secours Mutuels* (1904).

²⁵ See *La Revue de la Prévoyance et de la Mutualité*, 1921, p. 134; *Ibid.*, p. 150.

²⁶ *La Revue de la Prévoyance et de la Mutualité*, 1921, p. 72.

²⁷ The position and activities of the friendly societies towards the bill can be traced in *La Revue de la Prévoyance et de la Mutualité*, 1921-1928. The following references may be particularly helpful: 1921, pp. 5-21, 45-57, 69-74, 129-147, 148-156, 205-216, 277-287; 1922, pp. 139-153, 185-194, 210-217; 1923, pp. 46-65, 98-118, 162-171, 196-205; 1925, pp. 59-77; 1926, pp. 3-8, 23-25; 1927, pp. 80-99; 1928, pp. 8-18.

²⁸ Rey, *op. cit.*, pp. 56-97, gives many quotations illustrating the attitude of the doctors, with an analysis of their claims.

²⁹ Annexe No. 5505. *J. O. Doc. Parl. Chambre des Députés*, 1923, pp. 33-150.

such in the absence of an explicit statement to the contrary. To clear the way still further for the voluntary societies, the Government was not to organize autonomous general funds until within three months of the final enactment of the law, thus leaving the friendly and other societies with the advantage of recruiting additional members before that time.

The collection and distribution of the assessments was taken from the autonomous regional funds and confided to a federation of all the funds in the region. Moreover, while invalidity insurance was to be administered by only one fund in each region, this was not to be the autonomous fund itself as before, but rather a new fund "functioning under the responsibility of the funds which compose the regional union."³⁰

Finally, instead of two thirds of the surpluses of the various societies going to the general guarantee fund, these sums were now almost entirely reserved for the societies themselves, and were to be used to build up their individual reserves, to increase the benefits to their members, and to decrease their contributions. Virtually the only regulation imposed upon the friendly societies was that those dealing with illness were required to have at least 1,000 members, and those with old age at least 10,000.

The draft of the Committee on Social Insurance was before the Chamber of Deputies for well over a year, and during that time a number of amendments were offered, some of the less important being accepted and integrated into the text itself.³¹ The Poincaré

government finally brought the measure to a vote in the Chamber of Deputies on April 8, just before the Parliamentary elections of 1924 which resulted in their defeat. It was then passed unanimously.³²

THE CHAUVÉAU DRAFT

The bill was then transmitted to the Senate, which in turn launched a separate investigation under the direction of the chairman of its Committee on Health and Insurance, Dr. Chauvéau. After a period of fifteen months Dr. Chauvéau produced a new draft, which was distributed for discussion. This text aroused considerable opposition in the ranks of the trade-unionists, who were afraid that the plan was so devised that the rates of assessment might vary between localities and regions.

The Minister of Labor in the Rachiol Cabinet held a series of conferences in an attempt to reconcile the various points of view, and in December 1925, Dr. Chauvéau presented a modified draft accompanied by a voluminous report.³³ This text was modified still further in supplementary reports issued in 1926.³⁴

Still further changes were, however, demanded by the government of

No. 7238, *Chambre des Députés, Session de 1924* (March 6, 1924). *Second Rapport Supplémentaire*, par E. Grinda, 119 pp.

³² For the debates and the amendments offered, see *J. O. Deb. Parl. Chambre des Députés*, 1924, pp. 1879-1903, 1914-1929, 1938-1965. The Government inserted a final cautionary clause providing that the measure was not to come into effect until the budget had been restored to a normal condition.

³³ *Annexe No. 435, Sénat 1925, Session Ordinaire*, Rapport fait au nom, de la Commission de Hygiène et . . . , par M. Chauvéau.

³⁴ *Annexe No. 316, Sénat 1926, Session Ordinaire*, Rapport Supplémentaire, par M. Chauvéau, *J. O. Doc. Parl.*, pp. 449-468; *Annexe No. 628, Ibid., Session Extraordinaire, 1926 2nd Rapport Supplémentaires*, par M. Chauvéau. *J. O. Doc. Parl.*, pp. 33-64.

³⁰ *Annexe No. 5505. J. O. Doc. Parl. Chambre des Députés*, 1923, Article 99, p. 101.

³¹ See *Annexe No. 6862, Chambre des Députés, Session Extraordinaire de 1923* (Dec. 21, 1923). *Rapport Supplémentaire fait au nom de la Commission D'Assurance et de Prévoyance Sociales*, par M. Edouard Grinda, 25 pp.; and *Annexe*

M. Poincaré, who had been called back to power in the effort to balance the budget and stabilize the franc. The financial bases of the law had been earlier examined by the distinguished statistician Ferdinand-Dreyfus³⁵ and by Professor René Hubert.³⁶ Poincaré, however, was determined that the system should not be a heavy weight upon the national budget. At his request a clause was introduced which limited the Governmental contributions to those specifically enumerated in the act.³⁷ The benefits were not therefore to be legally underwritten by the Government, but were only to be paid in so far as the contributions permitted. Other economies were also demanded by the Government.

With these criticisms and with the suggestions advanced by no less than six committees which had examined the bill,³⁸ together with a final report by the indefatigable Dr. Chauveau,³⁹ the Senate moved towards a final consideration of the measure in June 1927.

³⁵ Jacques Ferdinand-Dreyfus, *Les Prévisions Statistiques des Assurances Sociales* (1923).

³⁶ René Hubert, *Les Assurances Sociales et les Finances de la France. Revue Politique et Parlementaire*. Vol. 114 (Feb. 1923), pp. 240-262; *Ibid.*, Vol. 115 (April, 1923), pp. 72-80. A later article by the same author, "L'équilibre financier des Assurances Sociales," *Revue Politique et Parlementaire*, Feb. 1927, appeared at the time when M. Poincaré was cutting down any possibility that the act might be a heavy financial burden upon the state.

³⁷ For the text of M. Poincaré's letter making this and other demands, see *Annexe No. 213, Sénat. Session Ordinaires*, April 1, 1927, *Avis Présenté au nom de la Commission des Finances*, par M. Louis Pasquets, *J. O. Doc. Parl.*, pp. 73-76.

³⁸ These reports were: (1) Commission du Commerce, *Annexe 182, Sénat 1926, J. O. Doc. Parl.* (2) Finance, *Annexe 213, Sénat 1927, J. O. Doc. Parl.* (3) Agriculture, *Annexe 224, Ibid.* (4) Public Works, *Annexe 276, Ibid.* (5) Civil Legislation, *Annexe 278, Ibid.* (6) General Administration, *Annexe 285, Ibid.*

³⁹ *Annexe No. 273, Sénat 1927, Session Ordinaire*, 3rd Rapport Supplémentaire, par M. Chauveau. *J. O. Doc. Parl.*

After a prolonged debate during which no less than 150 amendments were presented, the bill, after many changes, was finally passed as a whole by a vote of 269 to 2.⁴⁰

The bill then traveled back to the Chamber of Deputies, where a further competent report was made in February 1928 by Dr. Grinda and Etienne Antonelli, the distinguished professor of political economy at the University of Lyon and one of the leading Socialist Deputies.⁴¹ Another general election was now impending, and there was considerable unrest in the country at the long delay which had already attended the measure. The interest of the Poincaré government in the measure became keener and the bill was brought up for a vote. The Chamber was not satisfied with the Senate draft, but it did not wish to continue the game of battledore and shuttlecock for several years more. In view of the fact that the Senate draft provided for a delay of twenty-five months before the measure should come into effect, and that during that time the necessary administrative regulations could be framed, and the Poincaré government pledged itself to introduce any necessary amending legislation, the Chamber decided to accept the Senate bill as it stood. It was accordingly passed in March 1928.⁴²

⁴⁰ For the debates, see *J. O. Déb. Parl. Sénat 1927*, pp. 534-539, 540-545, 549-563, 566-579, 604-620, 628-640, 644-658, 664-679, 690-706, 714-732, 739-747, 761-768, 774-790, 798-813, 821-834. For the text of the final law passed by the Senate, see *J. O. Doc. Parl. Chambre des Députés*, 1927, *Annexe No. 4856*, pp. 1395-1404.

⁴¹ Rapport fait au nom de la Commission d'Assurance par MM. Grinda et Antonelli. *J. O. Doc. Parl. Chambre de Députés*, 1928, *Annexe No. 5496*, pp. 488-624. See also an able report on the financial features by A. Landry, *Annexe No. 5727, J. O. Doc. Parl. Chambre des Députés 1928*.

⁴² For the debate, see *J. O. Deb. Parl. Chambre des Députés*, 1928, pp. 1289-1300, 1303-1315, 1337-1350, 1352-1367, 1445-1457, 1473-1491, 1498-1523.

PROVISIONS OF THE ACT

The act as passed⁴³ gave evidence of many of the influences which had played upon it. During the debate in the Senate, the limitation of the patient's choice of physician, midwife, or hospital to a list jointly approved by the insurance funds and the professional associations was eliminated, and the insured person left completely free to choose whomsoever he wished and to change when he wished. The legal regulation of the fees paid by the patients was abandoned, and the act substituted merely a basis upon which the funds would reimburse part of the cost. This was to be from 80 to 85 per cent of the price scales which were to be agreed upon if possible by the funds and the medical associations.

In the field of insurance, the unit of administration was shifted from the *region* to the *department*, and in each of these a general insurance fund was to be set up which would (1) affiliate all who did not insure in friendly societies, or employers and trade union funds; (2) collect the contributions from industry and distribute them among the various insurance bodies; and (3) act as a reinsurance fund for the primary societies. These departmental funds were to be managed by representatives from the primary funds, and hence, while subject to some control by the Ministry of Labor, were largely autonomous.

⁴³ For the text of the act see *International Labor Office, Legislative Series, 1928, France No. 9*; and for commentaries on it, Etienne Antonelli, *Guide Pratique des Assurances Sociales*, 1st edition; C. Chauveau, *Loi sur les Assurances Sociales, Commentaire Juridique, Financier et Administratif* (1928), and *Les Assurances Sociales* (1929); Henry Solus, *Qu'est-ce que les Assurances Sociales?*; Emile Fleury, *Commentaire Pratique et critique de la Loi sur les Assurances Sociales*; Roger Picard, *Les Assurances Sociales*.

OPPOSITION TO THE LAW

Shortly after the elections were over, sharp and unexpected attacks were made upon the law by the conservative press.⁴⁴ It was declared to have been voted hastily, to create a large state bureaucracy, and to constitute too heavy a burden upon industry and agriculture. In this attack the agriculturists and the industrial interests joined. Now that they were faced with the actual application of the law, they were fearful of its consequences. The peasants and their representatives did not want extra burdens imposed upon them; and the opposition of the industrialists became especially intense after the depression set in during the latter part of 1929. During the first part of 1928, when business was good, the industrialists had believed that the extra costs could be passed on to the consumers in the form of higher prices. But as the upward movement of prices stopped and prices then began to recede, they feared that the actual burden must be borne by them out of their profits. They therefore wished either to sidetrack the law or to postpone its application until better times came and prices again began to rise. To add to all this, the medical profession, in spite of all the concessions which had been made to it, became again frightened.

It was feared by the parties of the left that the Poincaré and Tardieu governments did not intend either to implement the legislation or to put it into effect. The policy of the Government during 1928 and 1929 was indeed somewhat halting and uncertain. Attempts were made to conciliate the agricultural and industrial interests, and no less than three successive modifications

⁴⁴ See in *J. O. Déb. Parl.*, Chambre des Députés 1929, the charges made by M. Dura-four for the Left, pp. 3653-56, and the reply of the Minister of Labor, M. Loucheur, pp. 3707-09.

of the law were introduced into the Senate.⁴⁵ There was also a distinct slowness in setting up the necessary administrative machinery to put the law actually into effect.⁴⁶

CHANGES IN THE LAW

Finally, however, the Tardieu government pledged itself to have the system made effective by July 1, 1930, which was nearly five months later than the date specified in the act of 1928. A new law was therefore passed by the Senate in March and by the Chamber in April,⁴⁷ which made a number of changes, of which the following were the most important:

(1) The contributions for the first few years were reduced from 10 to 8 per cent. This was defended on the ground that the invalidity charges would be very much less in the beginning than later.

(2) A special system for agriculture was created, with contributions which were only approximately one fourth of those in industry and commerce, and with heavy governmental subsidies for those who fell under the compulsory features of the act and for the self-em-

ployed peasants who enrolled voluntarily.

(3) The Government assumed added financial costs not only for the subsidies to agriculture but also to meet the invalidity payments during the earlier years.

(4) The departmental funds were stripped of all functions save that of insuring those who did not register with the voluntary societies.

(5) The whole system of insurance was brought under the administrative control of the Ministry of Labor, thus rejecting the theory of large autonomy upon which the 1921 bill had been based and which had colored all the subsequent drafts.

The contributions from the insured parties began on July first, and three months later the payment of sickness benefits commenced. The law has now been in operation, therefore, for over two years and a considerable body of experience has already been accumulated. To a consideration of the various features of the system we shall therefore now turn.⁴⁸

⁴⁵ See for example the *Projet* of July 21, 1929, *Annexe No. 546, J. O. Doc. Parl. Sénat*, 59 pp.

⁴⁶ See the debates in the Chamber of Deputies, *J. O. Déb. Parl.* 1930, pp. 523-572, 668-677.

⁴⁷ For the debates see *J. O. Déb. Parl. Sénat* 1934, pp. 67-74, 152-161, 167-178, 186-199, 204-216, 220-233, 236-252, 257-271, 273-294, 300-319, 324-337, 341-359, 365-382, 387-403, 411-421; also *J. O. Déb. Parl. Chambre des Députés* 1930, pp. 1933-1958, 1970-1995, 2004-2018, 2032-2045, 2062-2079, 2084-2165, 2305-2319. For the principal documentary reports produced by the Committees on Insurance, see the three reports by Dr. Chauveau of the Senate: (1) *Annexe No. 750, Doc. Parl. Sénat* 1929, 2nd session extraordinaire; (2) *Annexe No. 37, Doc. Parl., Sénat*, 1930, session ordinaire; and (3) *Annexe No. 291, Doc. Parl., Sénat* 1930, session ordinaire; also the two-volume report by Messrs. Grinda and Antonelli for the Chamber of Deputies, *Annexe No. 3187, Chambre des Députés, Session de 1930*.

⁴⁸ For the text of the law see *International Labour Office, Legislative Series 1930 France 1930, No. 5*; and *Assurances Sociales*, published by the Ministry of Labor. For official explanations of the act, see *Commentaire officiel de la Loi des Assurances Sociales, Ministère du Travail*, 1930, 29 pp.; *Notes sur les Assurances Sociales, Ministère du Travail*, 1930. For a volume giving all the administrative orders issued down to March 25, 1931, see *Recueil Général des Textes Concernant Les Assurances Sociales, Ministère du Travail*, 1931. A brief explanation of the act by a federation of the insurance societies is *Comment faire pour bénéficier des Assurances Sociales, Union des caisses . . . de la Région Parisienne*, 1930. Of the Commentaries, the two best are by Antonelli, *Guide Pratique des Assurances Sociales*, 1931, 3rd edition; and by Hubert, Leproust and de Javersae, *Des Assurances Sociales*, 2 vols., 1929 and 1931, of which the second volume treats the law of 1930. Other useful if more elementary commentaries are Las Cases, *Ce qu'il faut Savoir sur la Loi des Assurances Sociales*, 1931; and Herzenstein, *Petit Guide Pratique des Assurances Sociales*, 1930.

III. SCOPE OF THE ACT AND CONTRIBUTIONS CALLED FOR IN INDUSTRY, COMMERCE, AND MISCELLANEOUS TRADES

The compulsory features of the law include all employed workers between the ages of 13 and 60 years, except those in specified occupations, who receive less than a given amount per year. This limit is in general 15,000 francs (\$600) for those who have no dependent children; but for those employed in cities of over 200,000⁴⁹ or in certain industrial areas,⁵⁰ the limit is 18,000 francs (\$720). This is raised by 2,000 francs (\$80) for each of the first two dependent children, becoming therefore 17,000 and 19,000 francs (\$680 and \$760) for those who are employed outside the large metropolitan and industrial areas, and 20,000 and 22,000 francs (\$800 and \$880) for those who are employed within them. The limit for those with three or more dependent children is, however, fixed at 25,000 francs a year (\$1,000) irrespective of the place of employment.

In the computation of these sums, family allowances, which are common in France, are not included; but payments in kind, commissions, and tips are.⁵¹

WORKERS NOT INCLUDED UNDER THE ACT

In order to be regarded as a habitually employed worker and hence brought under the scope of the act, it is necessary for a person to have worked for remuneration at least ninety days during the preceding year. Children who work at home for their parents without monetary payment are not included.

⁴⁹ Paris, Lyon, Marseille, Lille, and Bordeaux.

⁵⁰ In the main, these are the suburbs of the five metropolitan cities. Décret of May 10, 1930. *R. G.*, pp. 99-100.

⁵¹ See the *décrets* of May 14 and 24, 1930 fixing the methods of establishing these. *R. G.*, pp. 101, 102, 104.

The situation of home workers in the so-called "subcontracting" groups, who are a very important element in France, is still uncertain. It was undoubtedly the intention of Parliament to include both them and the subcontractors themselves, although the latter are almost universally paid by the piece,⁵² and the administrative rules were prepared on that basis.⁵³ Several lower courts have, however, ruled that the subcontractors are not wage-workers in the ordinary sense and that hence they cannot be brought under the obligatory features of the act. The highest court (Cour de Cassation) has not as yet ruled on the matter, and there is in the meantime a wide diversity between departments in the actual policy pursued. In some, contributions are being collected and benefits paid to these workers, while in others they are not.

There are a number of specific employments in which the workers are already provided with protection of a similar character to that furnished by the act, which are not brought immediately under the system but which are ultimately to be integrated with it. The most important of these are state employment (both national and local), railways, tramways, coal mines, and the public utility services of gas, electricity, and water.⁵⁴ The law moreover does not apply to Alsace-Lorraine, which continues under its own system. This was done because there were essential differences between the sets of laws on such points as the relative contribution of the workers, the share of the insured in medical expense, and so forth, which made it

⁵² See *L.*, Article 2, Section 5.

⁵³ Décret of May 24. *R. G.*, p. 103.

⁵⁴ *L.*, Article 49, Sections 1 and 2.

seem unwise to alter the long established laws of the restored departments in order to make them conform to the newly established system of the rest of France. Nor does the law apply to Algeria or to the Colonies.

FOREIGN WORKERS

In so far as foreign workers are concerned, both the employers and the workmen must pay the usual contributions. Those who have been employed in France under normal conditions for more than three months may receive sickness, maternity, and family benefits to the same degree as Frenchmen; but they are apparently not entitled to invalidity and old age pensions during at least the transitional period which will be later described.⁵⁵

ployer and the other half deducted by him from the wages of the worker.

The wage categories, with the basic wage and the contributions of each are shown in Table I.

It will be noticed that while these contributions are on a daily and weekly basis somewhat higher than 8 per cent, the use of a 48-week year for computing the annual contributions reduces the yearly rate to this figure except in the case of group V, where the contribution is slightly less than 9 per cent.

Since in October 1930 the average wage rate in various industries for a day's labor was, outside of Paris, approximately 33 francs for males and 20 francs for females, while in the Parisian region the corresponding av-

TABLE I—SCALE OF CONTRIBUTIONS UNDER FRENCH SOCIAL INSURANCE LAW OF 1931

Wage Category and Income Limits (per year)	Assumed Basic Wage (daily)	Daily			Weekly			Yearly		
		Employer	Worker	Total	Employer	Worker	Total	Employer	Worker	Total
I. Under 2,400 fr. (\$96).....	6	0.25	0.25	0.50	1.50	1.50	3.00	72	72	144
II. 2,400-4,999 fr. (\$96-\$180)...	12	0.50	0.50	1.00	3.00	3.00	6.00	144	144	288
III. 4,500-5,999 fr. (\$180-\$240)...	18	0.75	0.75	1.50	4.50	4.50	9.00	216	216	432
IV. 6,000-9,599 fr. (\$240-\$384)...	24	1.00	1.00	2.00	6.00	6.00	12.00	288	288	576
V. Over 9,600 fr. (over \$384)...	36	1.75	1.75	3.50	10.00	10.00	20.00	480	480	960

Frontier workers who live in another country although employed in France have the same advantages as other foreigners if they have been employed for three months.

WAGE CATEGORIES

For the purpose of computing the contributions and the benefits, the insured are divided into five income categories. The assessments are fixed at approximately 8 per cent of an arbitrary basic wage of each group, one half being paid by the em-

ployer for males was over 53 francs,⁵⁶ it follows that probably the vast majority of the male workers fall into categories IV and V, while the females belong predominantly to classes III and IV.

Those workers in class V who receive more than the basic wage of 36 francs (\$1.44) a day and 10,800 francs (\$432) a year, pay only their assessment of 480 francs (\$19.20) a year. Once having passed the basic point, their contribution therefore forms a progressively smaller proportion of their

⁵⁵ *L*, Article 1, Section 4; Article 69, Section 5, paragraph 7.

⁵⁶ *Bulletin du Ministère du Travail*, Avril-Mai-Juin, 1931, pp. 112-113.

income. The employers have however to pay added sums for workers receiving between 15,000 or 18,000 and the 25,000 francs. To prevent discrimination against the insured workers with dependents, this assessment is due on behalf of the uninsured as well as of the insured workers.⁵⁷ The Ministry of Labor is given the power by law to fix this contribution at between one third and two thirds of the assessment which the employer pays for workers in Class V, or between 160 and 320 francs a year. By ministerial decree this sum was fixed for the first year at the upper figure.⁵⁸ The extra sums thus collected are to be used to help pay family maintenance allowances.

As has been stated, employees over 60 years are not compelled to make any contributions. If they postpone their rights to a pension until the age of 65, and if they continue to be employed, their contributions are made as usual. Once they are pensioned, however, even though they are still employed (which is permitted), they are exempt from such payments. The employers, on the contrary, continue to make payments not only for those who are postponing their pensions but also for those who are in receipt of a pension or who, though over 60 years of age, are not entitled to one.⁵⁹

COLLECTION OF CONTRIBUTIONS

The predominant way of collecting the contributions is through the familiar method of stamped cards. The employers buy the special social insurance stamps from the post office and periodically affix both their share and those of the workers on two specific cards which they hold for each worker. One card is for the so-called

"distributional risks"—i.e., illness, death, maternity, and medical care for both illness and invalidity—and is renewable quarterly. The other is for the "capitalization risks" of old age pensions and invalidity. This is renewed annually. Since the 8 per cent contributions are divided evenly between these two main varieties of protection, one half of the stamps are placed on each card. When each card has been filled, it is returned by the employer to the social insurance office of the department, and a new one for the particular workman is then sent to the employer. When a workman leaves his position he takes his cards with him and presents them to his next employer, who in turn acts as their custodian.

Since many business men complained of the labor involved in this "licking of stamps," an alternative method was outlined by ministerial decree whereby the employer could send a check each month to the social insurance office of the department for the total amount due on behalf of his workmen, and forward the cards at the same time. The office would then affix the stamps and return the cards. This was at first permitted only for firms employing over fifty workmen,⁶⁰ but this limit was later lowered to that of ten employees.⁶¹ In practice, only about 10 per cent of the assessments are paid in this manner; the vast majority of payments are effected by the employers affixing the stamps directly. The workers remain in their given wage category throughout the period for which their cards last, and are changed only when new cards are issued for them.

⁵⁹ *Décret* of July 11, 1930. *R. G.*, pp. 175-6.

⁶¹ See amending act of 1931, *J. O. Lois et Décrets*, July 31, 1931, p. 8394, and the decree of Aug. 27, 1931, *Lois et Décrets*, Sept. 27, 1931, pp. 10331-32.

⁵⁷ *L.*, Article 2, Section 6.

⁵⁸ *Décret* of June 22, 1930. *R. G.*, p. 145.

⁵⁹ *L.*, Article 3, Sections 1 and 2.

In the case of longshoremen and other casual workers who customarily work for several employers during the course of a month, the burden of keeping the cards and exchanging them with the social insurance office is placed upon the workers themselves.⁶² Each employer gives to the worker stamps of the correct amount when the worker leaves or is laid off. In computing this, all time less than four hours is counted as a half-day's work, and all over four hours as a day.⁶³

GOVERNMENT CONTRIBUTIONS

In 1934 the joint contribution of workers and employers is to be raised from 8 to 9 per cent, and in 1940 the joint contribution is to be 10 per cent, or the proportion originally provided for in the act of 1928.

To these contributions of the interested parties, the Government adds certain specific contributions of its own. In the first place it grants an annual subvention of 540 million francs (\$21,600,000) for the assumption by the social insurance system of the Government liabilities under the Old Age Pension Act of 1910. These pensions were quintupled under the act to protect the workers who came under the 1910 law against the depreciation of the franc, and for the first year will amount to approximately the same sum as the initial Government grant. They may however be expected to decline with the years, whereas the Government subvention is to remain constant. The increasing difference between the two will therefore constitute an outright Governmental subsidy to the system as a whole.

The Government also underwrites the minimum guarantees which are made for old age annuities and invalidity pensions. For the first few years

these minima will naturally be in excess of the accumulated premiums, and the charge will consequently be heavier upon the Government than it will be in later years, when only the lower wage categories will need Governmental subventions to bring their accumulated reserves up to the authorized minimum. This burden upon the Government is eased in the initial years by the provision that the invalidity pensions shall not come into effect for two years, nor the old age annuities for five years.

The Government is also ultimately to meet the cost of the heavy subsidies for agriculturists who come under the compulsory features of the act or who voluntarily enroll in it. These charges are not to fall upon the taxpayers during the first two years, when they are to be met by loans; but they will thereafter be sources of public expense.

In addition to all this, the National Government agrees to turn over to the

TABLE II—GOVERNMENTAL SUBSIDIES TO SOCIAL INSURANCE

	Millions of Francs
Increases of pensions under 1910 law.....	540
Compulsory insurance for agriculture:	
(A) Illness, maternity, health, medical care.....	360
(B) Old age.....	130
Voluntary insurance for agriculture: ^a	
(A) Illness, maternity, health, medical care.....	170
(B) Old age.....	130
Guarantee of minimum pensions.....	100
Total.....	1,430

^a The estimated subsidies for voluntary insurance bid fair to be reduced because of the small number in agriculture who have applied for such protection.

⁶² *Décret* of June 28, 1930. *R. G.*, pp. 154-155.

⁶³ *Décret* of June 19, 1930. *R. G.*, p. 143.

system all the savings which it effects in the expenditures of the central government for charitable purposes, and one half of the savings in the cases of the local governments. It also gives an outright subsidy of three million francs a year for the voluntarily insured in nonagricultural occupations.

The Ministry of Labor has estimated that the total contributions by the Government, exclusive of savings turned over to the system, will be approximately as shown in Table II.⁶⁴

The total amount of contributions by employers and employees during the first nine months of the act amounted to approximately 2,400 million francs (\$96,000,000), distributed as shown in Table III.⁶⁵

Since the contributions for the first two months were naturally low because of the fact that the law had just come into operation, and since the average in the subsequent months was approximately 300 million francs, it would seem safe to conclude that with the present wage scale and an average of approximately 8.5 million wage workers, the receipts from workers and employers will be somewhere around 3,600 million francs (\$144,000,000) a year.

TABLE III—RECEIPTS OF SYSTEM DURING FIRST NINE MONTHS

	Millions of Francs
<i>1930</i>	
July.....	89.7
August.....	161.4
September.....	303.8
October.....	344.3
November.....	267.8
December.....	305.4
<i>1931</i>	
January.....	299.2
February.....	298.2
March.....	308.0
Total.....	2,377.7

This sum will be increased as the administration improves and more agricultural wage-earners are brought under the act. The Government grants also will swell this total. Since these will not total the estimated 1,430 million francs, because of the relatively few self-employed peasants who have taken advantage of the voluntary insurance, it seems probable that the total annual receipts of the system under the present wage scales will amount to not far from 5,000 million francs (\$200,000,000).

IV. BENEFITS IN CASE OF ILLNESS

Cash benefits are provided to those insured persons who are ill or who are suffering from a non-industrial accident. Medical benefits also are granted not only to the insured but also to their spouses and to all of their dependent children under the age of sixteen when they are ill.

After a waiting period of five days, which is reduced to three if the worker has three dependent children, the ill and insured person is paid a benefit

of 50 per cent of his basic wage provided he has previously paid contributions during at least 60 days of the preceding three months or 240 days of the preceding year. This makes the weekly rate of benefit as follows:

TABLE IV

Class	Benefits in Francs	Benefits in Dollars
I.....	18	0.72
II.....	36	1.44
III.....	54	2.16
IV.....	72	2.88
V.....	108	4.32

⁶⁴ Ministère du Travail, *Notice sur les Assurances Sociales*, p. 29.

⁶⁵ *Bulletin du Ministère du Travail*, July-Aug.-Sept. 1931, pp. 216-217.

This benefit is continued for six months, after which it is discontinued if the patient is sufficiently recovered, or else converted into an invalidity pension which will be later described.

After the fifteenth day of sickness the insurance fund meets half of the cost of carrying the workers' old age insurance: this amounts to approximately 2 per cent of their basic wage. The benefits are increased by one franc a day for each dependent child of the ill person. They are lowered when the fund is helping to meet the costs of caring for the workers in a hospital or other institution. The proportions by which the benefits are thus reduced are: (1) three fourths where the worker has no one dependent on him; (2) one half where he is married but has no other dependent; and (3) one third where he has one or more children or relatives in the ascending line dependent upon him.

MEDICAL BENEFITS

The rules governing the medical benefits are perhaps equally important and are certainly much more complicated. As has been pointed out, the law places no limit to the fees which doctors, pharmacists, hospitals, and so forth may charge the patient. It merely directs the funds to reimburse the patients for medical services on the basis of from 80 to 85 per cent of a given scale. Aid is, however, given for a wide range of service for both the insured person and his family. Not only are the services of general practitioners compensated for, but those of midwives, specialists, and surgeons as well. In addition, the patient has a right, upon prescription by his physician, to reimbursement for pharmaceutical requisites and appliances, and for hospitalization and other curative treatment. Dental care is included in these allowances for medical

attention, and artificial teeth are provided when deemed necessary for the pursuit of the patient's calling.⁶⁶

The patient has a completely free choice in all of these services. He can select any doctor who, whether or not he is a member of the medical association, merely signifies his willingness to abide by the rules of the law.⁶⁷ The funds agree not to suggest to their members that they patronize some doctors rather than others.

The patient is not compelled to keep the practitioner once chosen for any length of time, but is free to change to another at any moment. The medical consultations take place, whenever possible, at the doctor's office. If the doctor is compelled to visit the patient in his own home he is authorized to charge an extra fee, and if he must make a journey to do so, an added travel allowance is given.

REIMBURSEMENT TO PATIENTS

The rates which serve as a basis for reimbursement by the funds to the patient are fixed by the funds in agreement with the recognized branches of the medical, dental, and pharmaceutical associations.⁶⁸ In fixing these rates, due regard is supposed to be paid to the lowest scale of fees of the medical associations in the district. The insured workers in Categories I and II pay 15 per cent of these medical costs, while those in the three higher categories pay 20 per cent. In the case

⁶⁶ This in practice is when the masticatory coefficient falls below 40. Under this schedule, the 8 incisors have a value of 1-8; the 7 canines, 2-8; the 8 pre-molars, 3-24; the 12 molars, 5-60. *R. G.*, p. 293.

⁶⁷ In the case of dentists the choice is limited to one who has been licensed to practice. *R. G.*, p. 235.

⁶⁸ See the sample forms of agreement drafted by the Ministry of Labor. *R. G.*, pp. 224-278. In the case of hospitals the funds pay their contributions directly to the hospital rather than to the patient.

of pharmaceutical expenses, all categories pay 15 per cent.

If it is impossible for the funds to come to an agreement with the medical and other associations, they may undertake the liability for a flat proportion of a schedule of fees drawn up by them, or they may pay a flat rate of so much a day to persons not receiving surgical or hospital treatment. If they do the latter, they cannot fix this sum at more than 20 per cent of the basic wage of the worker in question if they are to obtain reinsurance for this amount from the General Guarantee Fund, which is to be described later. If they pay more, therefore, they must bear the burden themselves.

Since the rates for reimbursement are to be adjusted in this very decentralized fashion, it may well be asked how any control can be exercised to prevent the local funds from fixing rates which are too high for the available resources of the system.

In addition to advice which the Ministry of Labor gives the funds on these points, there are two more positive sources of control. The first is the provision in the act itself that except in cases where special treatment is required, the total amounts paid by the funds for medical and pharmaceutical expenses shall not exceed 50 per cent of the basic wage of the insured workers. This of course distinctly limits the amount of assistance which can be rendered to the more poorly paid workers.

REIMBURSEMENT TO FUNDS

The second form of protection lies in the fact that the Ministry of Labor, in consultation with the Superior Insurance Council (*Conseil Supérieur des Assurances Sociales*), is authorized to fix the scale above which payments by the funds will not be reinsured or reimbursed by the General Guarantee Fund.

After a considerable degree of deliberation, the Ministry published such a series of rates for medicine, dentistry, pharmaceutical supplies, and hospital care.⁶⁹ Accompanying these were coefficients for the various main types of service in each of these fields. By the use of a base rate, therefore, for the simplest form of service, the entire scale upon which reimbursement would

TABLE V—BASIS FOR REIMBURSEMENT
TO FUNDS

Service	Reimbursements Up to
A. MEDICINE	
Consultation with either doctor or specialist.....	12 francs
Same in cities over 200,000 and suburbs.....	15 francs
Visits to home of patient (cities of over 100,000)	2 francs extra
Same in localities under 100,000.....	$\frac{3}{4}$ francs per kilometer for double distance
Sunday visits.....	Increase of 30% ^a
Night visits.....	Increase of 100% ^a
Insertions of serum and antitoxin.....	24 to 30 francs
Wasserman Test.....	24 " 30 "
Hernia.....	60 " 75 "
Child birth, including 9 visits.....	300 francs in cities under 200,000
	400 francs in cities over 200,000
B. DENTAL CARE	
Extraction of tooth.....	4 francs in cities under 200,000
	6 $\frac{3}{4}$ francs in cities over that number
Filling.....	6 to 10 francs
Treatment.....	6 " 10 "
Lancing of abscess.....	3 " 5 "
Artificial tooth (porcelain)	6 " 10 "
C. HOSPITALIZATION	
(1) <i>Costs of Hospitalization</i>	
Medical hospitals (localities of less than 200,000)	13 francs per day
Medical hospitals (cities of over 200,000).....	20 " " "
Surgical hospitals (localities of less than 200,000)	16 " " "
Surgical hospitals (cities of over 200,000).....	24 " " "
(2) <i>Medical Honoraria</i>	
In public hospitals of cities which are centers of medical instruction:	
Medical and surgical	4 " " "
In other public hospitals:	
Medical.....	4 " " "
Surgical.....	4 " " "

^a These are lower than the coefficients given by the medical association and distributed to the funds, which called for increases of 100 and 200 per cent respectively. For a discussion of why this seemed excessive, see the circular of Sept. 22, 1930, *R. G.*, p. 381, where the reason for listing specialists at the same rate as general practitioners is also given.

⁶⁹ See the circular of Sept. 22, 1930. *R. G.*, pp. 379, 387.

be made was found.⁷⁰ The scale for some of the most important items under each branch of service is given in Table V.⁷¹ It should be remembered that the funds themselves will pay only from 80 to 85 per cent of these amounts. The residue, together with any extra charge made by the doctors, must be met by the patients.

The Ministry of Labor on the whole seems to think that a medical outlay of from 100 to 130 francs a year *per beneficiary* is approximately safe and will not exceed the quarter of the total contributions, or 2 per cent of the earnings, which is set aside for benefits in kind. This is an annual average of from 150 to 190 francs (\$6.20 to \$7.60) *per insured person* which is of course much more than the British health insurance system provides for this purpose.

EFFECT OF THE SYSTEM ON DOCTORS

It would of course be extremely interesting to compare the relationship between these rates or those approved by the funds, and the rates actually charged by the doctors to the patients. The French doctors are strongly organized, and quite openly fix their minimum

scale of prices. In many localities the funds use this as their basis, while in others, as in Paris,⁷² the minimum rate is above the scale for reimbursing the patients. In some localities there seems to be strong evidence that the doctors increased their charges after the new law went into effect, because of the greater capacity of their patients to pay. In these cases, therefore, the system operated to increase the income of the doctors from each patient rather than to reduce the burden upon the patients by the full amount of the subventions. In addition, of course, the system has aided the doctors by making it possible for more patients to come to them for treatment.

That granting the patient full power to change his doctor whenever he wishes creates temptations for hard pressed or unethical doctors to certify malingerers as ill in order to retain their patronage, is of course obvious. It can be checked in part by the funds, but only in part. Perhaps the best thing that can be said for the whole system of medical provision under the act is that it is the type which least arouses the opposition of the doctors.

V. INVALIDITY BENEFITS

After an insured person has received sickness benefits for six months, if his working capacity⁷² is reduced by two thirds or more, he is eligible to receive an invalidity pension provided he has paid insurance contributions for at least two years or 480 days before his illness. There will therefore be no charges upon the fund and hence upon

the public budget which underwrites this item, for the first two and a half years of the plan.

The period of invalidity is in reality divided into two subdivisions. The first extends for five years after the patient first receives his invalidity pension. During this time the invalid receives not only his cash benefit, the amount of which is computed by a method which will be later described, but also medical attention on the same

⁷⁰ See *R. G.*, pp. 227-28, 237, 277-78.

⁷¹ These sums as given in the circular of Sept. 22, 1930 are sensibly lower than those outlined on Aug. 27. See *R. G.*, pp. 369, 372.

⁷² Until a new scale for computing disability is promulgated, that in use for the military services is to be employed.

⁷³ The Ministry of Labor in 1930 stated that the minimum fee for consultations in Paris was 25 francs. *R. G.*, p. 371.

terms as any insured person. The fund has the authority to have the invalid examined by a doctor of its choosing, not only at the commencement but at any time during the period, and if the patient refuses or neglects to comply, his pension is forfeited. If the working capacity of the invalid does not rise above one half, his pension rights are still maintained; but if it goes above the latter figure, the pension is withdrawn.

The second period begins at the end of these five years, and if the working capacity is still less than 50 per cent, the pension is then placed on a permanent basis. The invalid is now, however, not given a medical benefit in addition to his cash pension. After five years more have passed, the fund, if it wishes, can have the invalid re-examined to determine whether or not his working capacity is still below 50 per cent, and if it is, the pension is to be paid indefinitely.

From what has been said it will be realized that the pension is not graduated inversely with the degree of incapacity, and does not decrease slowly as the patient's ability to work increases. Instead, it is stopped abruptly as soon as the invalid passes the half-way mark. It thus creates a strong financial disadvantage for a patient to raise his working capacity slightly

above one half, and is in this respect faulty.

PENSION BASED UPON AGE

The graduation of the amount of the pension is instead based upon the age at which the pensioner entered the insurance system, the length of time during which the invalid has previously paid contributions, and his wages during these periods. The pensioners are fundamentally divided into two groups; namely, those who were enrolled in the system before the age of 30, and those who were enrolled after that age. The former are paid 40 per cent of their average annual wages during the period of their insurance, and if they have paid contributions for more than 30 years they are entitled to an increase of 1 per cent for each added year for which they have been insured, up to a total of 50 per cent.

The second group; or those who were first insured after they had passed the age of 30, have their invalidity pensions reduced because of their greater susceptibility to serious impairments of capacity, and because they will ultimately have made fewer contributions than the first group. Their pensions are reduced by one-thirtieth for every year or fraction thereof by which their actual age of entrance exceeded that

TABLE VI—YEARLY INVALIDITY PENSIONS IN FRANCS FOR THOSE ENROLLED BEFORE THE AGE OF 30 AND WHO HAVE PAID AT LEAST TWO YEARS OF CONTRIBUTIONS

Category and Average Wage	Years for Which Contributions Have Been Paid				
	30 or less	31	32	35	40
I (1,800 fr.)	720	738	756	810	900
II (3,600 ")	1,440	1,476	1,512	1,620	1,800
III (5,400 ")	2,160	2,214	2,268	2,430	2,700
IV (7,200 ")	2,880	2,952	3,024	3,270	3,600
V (10,800 ")	4,320	4,428	4,536	4,860	5,400

of 30. If they have paid contributions for six years, however, the amount of the annual invalidity pension is not to fall below 1,000 francs (\$40).

This minimum is decreased by 100 francs a year for each year under six for which the contributions have been paid. Those who have entered at over 30 years and have barely fulfilled the statutory minimum of 2 years'

payments will therefore receive as a minimum 600 francs (\$24) a year.

The whole situation may perhaps be made somewhat clearer by the use of illustrative tables showing for these two main groups what the annual invalidity pensions will actually amount to for persons whose average wage falls in the given categories and who have paid contributions for differing

TABLE VII—YEARLY INVALIDITY PENSIONS IN FRANCS PAYABLE TO THOSE ENROLLED AFTER THE AGE OF 30 AND WHO HAVE PAID AT LEAST TWO YEARS' CONTRIBUTIONS

Age of Entrance	Years of Contributions	Categories into Which Workers Fall				
		I	II	III	IV	V
		(1,800 fr.)	(3,600 fr.)	(5,700 fr.)	(7,200 fr.)	(10,800 fr.)
31.....	6 or more	1,000	1,392	2,088	2,784	4,176
	5	900	1,392	2,088	2,784	4,176
	4	800	1,392	2,088	2,784	4,176
	3	700	1,392	2,088	2,784	4,176
	2	600	1,392	2,088	2,784	4,176
35.....	6 " "	1,000	1,152	1,728	2,304	3,456
	5	900	1,152	1,728	2,304	3,456
	4	800	1,152	1,728	2,304	3,456
	3	700	1,152	1,728	2,304	3,456
	2	600	1,152	1,728	2,304	3,456
40.....	6 " "	1,000	1,000	1,368	1,824	2,736
	5	900	912	1,368	1,824	2,736
	4	800	912	1,368	1,824	2,736
	3	700	912	1,368	1,824	2,736
	2	600	912	1,368	1,824	2,736
45.....	6 " "	1,000	1,000	1,008	1,344	2,016
	5	900	900	1,008	1,344	2,016
	4	800	800	1,008	1,344	2,016
	3	700	700	1,008	1,344	2,016
	2	600	672	1,008	1,344	2,016
50.....	6 " "	1,000	1,000	1,000	1,000	1,296
	5	900	900	900	900	1,296
	4	800	800	800	864	1,296
	3	700	700	700	864	1,296
	2	600	600	648	864	1,296
55.....	5 " "	900	900	900	900	900
	4	800	800	800	800	800
	3	700	700	700	700	700
	2	600	600	600	600	600
58.....	2 " "	600	600	600	600	600

lengths of time. In Table VII the amounts which the patients would receive in the absence of a minimum might also have been shown.

It would then have been noticed that those in Class V will receive more than the minimum guarantee if they enter the insurance system before the approximate age of 55, and that those in Class IV will receive more if they enter before the age of 50. The same situation applies to those in Class III who come in before they have passed 45 years and for those in Class

II who enter before 40. Those in Class I need always to be brought up to the minimum by the Government grants. To all of these pensions there is added an extra allowance of 100 francs a year for each dependent child.

While the amounts of the pensions may seem small when judged by American income standards, they are of course far more adequate when viewed in terms both of French living costs and of the standard of living for the French working classes.

VI. OLD AGE ANNUITIES

The sums set apart for old age insurance amount, as already indicated, to 4 per cent of the basic wages, and therefore to one half of the total sums which are now being contributed. Half of these contributions in the case of insured workers who are now under 30 years of age is set aside with additions of interest for the creation of individual old age annuities; while for those who are over 30 years, no less than nine tenths of this share, or 3.6 per cent of the basic wage, is used for this purpose. The remaining sums, amounting to 2 per cent of the basic wage for those under 30 and 0.4 per cent for those above that age, are paid into the two national funds for meeting extra expenses and deficits, namely, the *Fonds de Majoration et de Solidarité* and the *Fonds de Garantie et de Compensation*.⁷⁴

The annuities are normally payable when the insured person reaches the

age of 60, but may be granted at the age of 55 (with naturally a reduced amount) if the insured person has paid contributions for at least 25 years. It is estimated that this anticipation of the annuity will reduce its total by approximately 40 per cent.⁷⁵ The annuities may also be postponed, and if deferred to the age of 65 will then yield, if the insured survives, about 75 per cent more.⁷⁶

CLASSES OF BENEFICIARIES

Since time is required to make this system of individual annuities fully effective, the beneficiaries are necessarily divided into two classes. The first are those who by the time they are from 60 to 65 years of age will have made contributions for at least 30 full years of 240 days each. The second group covers those in the transitional period who will not have had the time to accumulate so many contributions.

The annuities for the first group are to be not less than 40 per cent of the average basic wage during the period for which they have made contributions, and are to be increased by one

⁷⁴ Article 14, Section 1 of the law provides that the amounts set apart for individual account shall not be less than 2.0 and 3.6 per cent respectively, and consequently that the maximum amounts to be turned over to the two general funds cannot exceed 2.0 and 0.4 per cent. The decree of July 1, 1930, established these maxima and minima as the actual basis of distribution. See *R. G.*, p. 160.

⁷⁵ Antonelli, *Guide Pratique des Assurances Sociales*, p. 91.

⁷⁶ *Ibid.*, p. 91.

tenth for all who have brought up three or more dependent children.

Those who fall within the transitional period (which will last until 1960) are entitled, after having paid contributions for at least five full years, to receive annuities at the given ages which will be equal to that fraction of the full pension which the number of years for which they have contributed forms of a normal period of thirty years. The amount of the annuity is not, however, to fall below 600 francs a year.

The basis on which the annuities for the second group are computed may be made somewhat clearer by the use of an example. Thus, a man who was aged 45 years at the time the law went into effect in 1930 would, if he were employed steadily, have fifteen contribution years to his credit by the time he was sixty. If he remained in category IV throughout this period, he would therefore be entitled to fifteen thirtieths or one half of the normal pension; i.e., to $7,200 \text{ fr.} \times \frac{40}{100} \times \frac{15}{30} = 1,440 \text{ fr.}$

It will, however, be extremely rare for an insured worker to remain in the same category throughout his insured life. For this reason the annuities are computed for both groups in terms of the slices of protection against old age which each year of work in a given wage category carries with it. The following tables show how these slices are computed.

TABLE VIII—MINIMUM AMOUNTS OF ANNUITY TO WHICH A YEAR'S WORK IN VARIOUS CATEGORIES ENTITLES AN INSURED PERSON

Category	I	II	III	IV	V
Basic yearly salary in francs	1,800	3,600	5,400	7,200	10,800
Normal annuity after 30 years of contributions, i.e., 40%	720	1,440	2,160	2,880	4,320
Amount for each year's contributions, i.e., 1/30 . . .	24	48	72	96	144

Let us now take the case of a person who has paid contributions for thirty years and has spent six years in each of the five wage categories. His minimum annuity would be computed as follows:

TABLE IX

Category	Years	Minimum Annuity (in francs)	Total (in francs)
I	6	24	144
II	6	48	288
III	6	72	432
IV	6	96	576
V	6	144	864
Total . . .			2,304

If a person had entered the system at the age of 40 and had been in category III for 10 years, category IV for 6 years, and category V for 4 years, his minimum annuity would be computed as follows:

10 years at 72 fr. =	720 fr.
6 " " 96 " =	576 "
4 " " 144 " =	576 "
Total	1,872 fr.

A final example will show the rôle of the statutory minimum. If a person had been insured for 10 years in category I and for 5 years in category II, then on the face of it he would be entitled to a minimum pension of only 480 francs. This would however be raised to 600 francs, since none can fall below that level. There will of course be few, save those who will become

eligible for pensions in the years immediately following 1935, who will fall in this latter class; and even then, the ones affected will be those who have on the average belonged to the three lower rather than to the two upper categories. The extrasum thus needed to bring the annuities up to this stated minimum are to be provided by the Augmentation and Joint Solidarity Fund (*Fonds du Majoration et de Solidarité*), out of the money at its disposal.

It should be emphasized that the amounts which have been indicated above are in general minimum sums. The actual amounts are to be calculated according to the above system, but may be higher depending upon the interest rates which the system receives for its invested capital, and the mortality rates of the insured population. After ten years of experience it will be possible for some funds, over half of whose membership belongs to such dangerous industries as those of chemicals, metallurgy, and glass, to change their annuities and to apply special rates if these are approved by the Ministry of Labor.

For employees who were between the ages of 60 and 65 when the act went

old age protection, thus enabling them to accumulate as large a sum as possible. Those who have paid contributions for at least five years under these circumstances are guaranteed a minimum annuity of 500 francs.

REVERSIONARY PRIVILEGES

While the presumption in the case of the old age insurance is that it should take the form of the so-called "alienated capital system" and be paid only in the form of annuities to the insured person as long as he survives, two alternative procedures are also offered to him, which he may take advantage of at any time. He may, for example, convert the capital value of his old age insurance in excess of 1,000 francs a year, with the consent and under the supervision of the insurance fund, in order to acquire a plot of land or a dwelling. Once this is done, such property becomes inalienable and exempt from seizure. The insured person may also utilize the capital value of his pension in order that his wife⁷⁷ may receive after his death, by the time she is 55 years of age but not before, half of his annuity. The amount of his own pension is naturally decreased

TABLE X—PROPORTIONS BY WHICH ANNUITIES ARE REDUCED TO PROVIDE REVERSIONARY PENSIONS TO SPOUSE AFTER DEATH OF INSURED PERSON

Age of Spouse When Pension Is Liquidated (in years)	Reduction of the Principal Pension (in per cent)	Percentage Which Pension of Spouse Forms of Liquidated Pension	Percentage Which Pension of Spouse Forms of Original Pension
65 and over	10	50	45.0
64-57	15	50	42.5
56-38	20	50	40.0
37-23	15	50	42.5
23 and under	10	50	45.0

into effect, and who are covered by the Old Age Pension act of 1910, a special allowance is made whereby they may devote all of their share of the contribution (4 per cent) to the purpose of

if these reversionary privileges are requested. The amount by which the original pension is thus reduced, while not great, depends upon the age of the

⁷⁷ Or vice versa if the wife is insured.

spouse and has been fixed by administrative order at the percentages shown in Table X. Along with these are shown the proportions which the annuity to the spouse on and after the age of 55 years bears to the original and to the liquidated pension.⁷⁸

The insured person who thus settles part of his pension upon his wife may

also insure them both under sickness insurance during the period they are receiving the pension. They will thus be guaranteed medical care and all the benefits in kind, but not, of course, the added cash benefits. For this medical care the insured worker pays 15 francs a month and the state adds to this a further subsidy of 6 francs.

VII. MATERNITY, DEATH, AND UNEMPLOYMENT BENEFITS

In addition to the family allowances which are granted in cases of illness, invalidity, and old age, there are further supplementary benefits provided under the act.

Maternity—

One of the most important of these is the aid given to mothers. Full medical care is given on the usual terms both for insured women and for the wives of insured men who give birth to a child. This includes not only the services of a doctor or midwife at the time of delivery, but also prenatal and postnatal care. This lasts during the entire period of pregnancy and for the six months following birth. The medical care as such is accompanied by the same rights to pharmaceutical supplies and hospitalization which any insured person or members of the family might enjoy if ill.

Cash benefits and allowances are also guaranteed to insured women, though not to the wives of insured men, who either are or are about to become mothers. They are entitled to the ordinary sickness benefit of 50 per cent of the basic wage for six weeks before and six weeks after confinement,⁷⁹ if they cease all paid work during this

period. If the insured woman nurses her child she receives a monthly nursing allowance of 150 francs for the first four months, 100 francs a month for the fifth and sixth months, and 50 francs monthly from the seventh to the ninth month inclusive. If she is certified by her doctor as being unable to nurse her child she may, if she rears the child at home, receive milk tickets equal to two thirds of the value of these bonuses.

All of these cash allowances are conditional upon the insured woman's obeying the medical regulations which may be issued, which include visits to her home and her attendance at maternity and infant welfare centers. It is intended therefore to use the bonuses as a means of educating the insured women who are mothers in such matters, and hence of reducing the infant mortality rate, which unfortunately is still high in France.

While the wives of the insured are unfortunately not guaranteed a share in these latter advantages because of the fear on the part of Parliament that the social insurance benefit would thereby be unbalanced, it is hoped that the funds will provide them out of their surpluses. It is indeed specified that the first form of increased benefits which a fund can offer is that of milk and nursing bonuses for the wives of insured men, and that after this shall come a reduction of the expense which

⁷⁸ See Article 74 of the *Règlement-Général* of July 25, 1930. *R. G.*, p. 66.

⁷⁹ They must of course have paid contributions for 60 days out of the preceding 3 months or for 240 days during the preceding year.

the insured should bear in maternity cases.

Death—

A death benefit is also provided to the heirs of a deceased insured person. The main benefit amounts to 20 per cent of the average annual basic wage of the given category, but is not to be less than 1,000 francs. This makes the benefits as follows for members of the five categories:

TABLE XI

Category	Amount of Main Death Benefit (in francs)
I.....	1,000
II.....	1,000
III.....	1,080
IV.....	1,770
V.....	2,160

These sums are in the main sufficient for a modest funeral, but, like most of working-class life insurance in this country, will provide for little more.

To help protect the survivors, small

bonuses of 100 francs a year for each dependent child are added. In addition, mothers who have three or more dependent children are paid an orphan's pension of at least 120 francs a year for all children beyond the second. These pensions are to be in addition to those prescribed by the law of 1919.

Unemployment—

The third type of supplementary protection provided is the maintenance for four months in a year of the insurance payments of the unemployed. This amounts to a benefit in kind of 8 per cent. This provision replaced the much more ambitious plan of Dr. Chauveau to include insurance against unemployment in the bill itself, which was eliminated at the demand of the Poincaré government in 1927.

If an insured worker is ill and is drawing his sickness benefit, the insurance fund with which he is affiliated keeps up the payment of the 4 per cent of his earnings which is needed for the maintenance of his old age and invalidity insurance.

VIII. THE INSURANCE FUNDS: PRIMARY AND DEPARTMENTAL

Separate sets of insurance agencies are set up to carry the two varieties of risks, namely, the so-called "distributional risks," which include sickness,⁸⁰ maternity, and death, and the "capitalization risks," which include invalidity and old age. Each of these sets of insurance agencies includes, in turn, private voluntary insurance funds with any one of which the worker may, within limits, affiliate, and the residual or "catch all" funds, which belong to all workers who do not choose any particular private fund.

As has been stated, the worker has

⁸⁰ Medical benefits for invalidity are also included in this group.

complete freedom of choice in selecting the fund to which he wishes to belong, except that in the case of the distributional funds, he must select one within his own department. The funds cannot reject the affiliation of any insured workman, whether by the medium of a medical examination or by any other means. If the worker was already a member of a private voluntary fund which continued under the act, he was presumed in the absence of a definite statement to the contrary to remain affiliated with it. When, as was sometimes the case in, old age insurance, a worker was affiliated with both the National Old Age Pension Fund (*Caisse*

National de Retraites de la Vieillesse) and a voluntary fund, the latter was given the benefit of the doubt and the worker was enrolled in it unless he gave instructions to the contrary.

Having selected a fund, a worker cannot ordinarily change it in less than two years, unless he moves out of the area which it covers. This period is shortened during the first two years of the act to permit the insured person to change after the lapse of a year. When this is done, the former fund with which the worker was affiliated for the capitalization risks must transfer to the new fund the accumulated credits which belong to the account of the worker.

VOLUNTARY FUNDS

These private and voluntary funds (*Caisses primaires*) are of three kinds: (1) the so-called "mutual funds," which are really continuations of the former friendly or mutual benefit societies (*Sociétés de Secours mutuel*); (2) the employers' funds, which are recognized only if a majority of the workers concerned give their consent; and (3) the funds of the workers themselves, which are predominantly fostered by the trade unions. All of these are to operate under the provisions of the Friendly Societies Act of 1898 as well of the Social Insurance Act.

Those who have not been members of these continuing funds or who do not specifically elect them are then enrolled, so far as the distributional risks are concerned, in a common fund, of which there is one in each department. In so far as the capitalization risks are concerned, workers who are not enrolled with the voluntary funds are registered with the National Old Age Pension Fund, which has been the chief agency to administer the 1910 Old Age Pension Act. This fund is to establish advisory committees to assist it in each department.

The funds, both primary and departmental, perform a number of important functions. Although they do not collect the contributions from the employers, they receive the amounts assigned to them by the Governmental authorities and are responsible for the actual payment of the benefits to the insured workers. Involved in this is naturally a considerable volume of supervisory and administrative work, which in the case of the capitalization funds entails keeping the individual old age pension records of their members and fixing the percentages of invalidity.

DISTRIBUTIONAL FUNDS

The distributional funds negotiate agreements with the professional associations of doctors, midwives, pharmacists, and so forth, and with hospitals, concerning the conditions under which the medical benefit is administered; and they seek to prevent malingering, by having doctors and visitors of their own check up the more suspicious cases where the workman is certified as being too ill to work. Such doctors are prohibited from giving treatment to the insured man, while the task of disciplining doctors who have wrongfully certified persons as unable to work is largely turned over to the local medical associations.⁸¹ If the latter's actions are unsatisfactory, appeal can be taken to an arbitration committee, of which there is one in each department, one third of whose members represent the funds, one third the medical and other associations, and the remainder the Ministries of Labor and of Health.⁸²

The distributional funds must maintain local offices to facilitate the payment of benefits, wherever they have

⁸¹ See *Règlement Général* of July 25, 1930. Article 27. *R. G.*, p. 57

⁸² *L.*, Article 7, section 5.

twenty-five or more members,⁸³ and must not spend more than 3.5 percent of their receipts for administrative purposes.⁸⁴ In the case of the funds insuring against old age and invalidity, the maximum for normal administration is a decreasing sliding scale of so much a year for each person insured. The maximum normal scale for these funds⁸⁵ is:

TABLE XII

Number	Maximum Allowance Per Head
First 25,000.....	4.00 fr.
25,000- 50,000.....	3.00 "
50,000-100,000.....	2.50 "
100,000-200,000.....	2.00 "
200,000-300,000.....	1.50 "
300,000-400,000.....	1.00 "
Over 400,000.....	50 centimes

A capitalization fund with 325,000 members would thus have as a maximum allowance for normal administration purposes:

25,000×4	fr.=100,000 fr.
25,000×3	" = 75,000 "
50,000×2.5	" =125,000 "
100,000×2	" =200,000 "
100,000×1.5	" =150,000 "
25,000×1	" = 25,000 "

Total 675,000 fr.

After 1934, this scale for the old age and invalidity funds may be increased by one third to allow for the partial assumption of this risk by industry rather than by the state. It may also be raised, even from the beginning of the law, by an extra allowance of 2 francs for those who have been subjected to a medical examination consequent upon their request for an invalidity pension.

⁸³ See *Règlement—Type d'Administration Intérieure pour Caisses Primaires des Assurances Sociales*. R. G., pp. 290-292.

⁸⁴ *Décret*, July 5, 1930. R. G., p. 170.

⁸⁵ *Ibid.*, p. 171.

ADMINISTRATION OF FUNDS

The administration of the primary and departmental funds⁸⁶ is given to a governing body of at least eighteen members. Half of these must be insured persons, and normally a further third must be chosen by employers who have workmen insured in the fund. There are also two representatives of the medical profession. Funds established exclusively by workers or trade unions are not compelled to include representatives of the employers. Those established by mutual benefit or friendly societies may be managed by the governing body of the parent society provided at least half the members of this directing committee are themselves insured workers.

The primary funds for the distributional risks are compelled, as we shall see, to form departmental federations for the purpose of aiding in the reinsurance of risks. All of the funds, including apparently those devoted to invalidity and old age, are permitted to form regional and even national federations for the purpose of carrying out such works of public health and benefit as the erection of hospitals, sanatoria, dispensaries, and homes for the aged. The member, or primary, funds may also carry through these works as their own enterprises, but they may not set up pharmacies.

We have seen in Section VI that of the half of the contributions, or 4 per cent of the wages, which is set apart for old age insurance, the old age insurance funds receive 50 per cent in the case of those under 30 years and 90 per cent (3.6 per cent of the wage) for those over 30 years. The remainder goes to the General Guarantee Fund, whose functions still remain to be described. The 4 per cent which is devoted to the

⁸⁶ The original organization of these funds was however given to the Ministry of Labor.

services of illness, medical care for invalidity, maternity, death, and so forth, is divided in the following proportions:⁸⁷

TABLE XIII

	Per Cent	Per Cent
Primary and Departmental Funds:		
Sickness ^a	73.81	
Maternity.....	9.64	
Death.....	4.21	
Total.....		87.66
Departmental Federations:		
Sickness.....	4.10	
Maternity.....	0.54	
Death.....	0.23	
Total.....		4.87
General Guarantee Fund....		7.47

^a Including medical care for invalidity.

ENROLLMENT IN FUNDS

One of the most important questions in the administration of the act was the degree to which the workers would affiliate with the voluntary rather than the departmental funds. Allied with this was of course the further issue as to the number of such voluntary funds which would be organized under the act. The returns of the Ministry of Labor show that by April 1, 1931 there were 84 departmental funds for the distributional risks and 725 voluntary or other primary funds.⁸⁸ This last number had been reduced because of the fairly extensive process of federation which the friendly societies had been carrying through prior to the final enactment of the law, and also because of the decision on the part of some of the smaller societies, whose members belonged primarily to the self-employed artisan or the *petit bourgeois*

class, not to participate in the compulsory system.

Of the approximate 7,964,000 non-agricultural workers who about this time were recorded as having affiliated with some distributional fund, the division of membership between the two types of funds was as follows:⁸⁹

TABLE XIV

Type of Fund	Number of Non-agricultural Workers Affiliated	Percentage of Total
Departmental....	5,041,140	63.3
Other Primary....	2,922,673	36.7
Total.....	7,963,813	100.0

Slightly over five eighths of the total number are enrolled in the departmental funds. This fact, together with the relatively manageable number of approved primary funds, makes the administrative situation far more favorable than it is in England. The departmental funds and some of the other primary funds are sufficiently large so they can use part of their surpluses for the construction of hospitals, which are badly needed in France, and can engage more fully in the work of preventive medicine.

The federation of the mutual benefit societies into departmental unions, together with the fact that no distributional fund is allowed to solicit members outside of its own department, has produced a much more compact form of organization than in England, and should facilitate the mechanics of payment and of supervision over the cases themselves.

The returns are not yet complete for the funds with capitalization risks. Since payments will not begin for two

⁸⁷ Decree of July 1, 1930. *R. G.*, p. 160.

⁸⁸ *Bulletin du Ministère du Travail*, July-Aug.-Sept. 1931, pp. 216-217.

⁸⁹ *Année No. 231, Sénat*, March 13, 1931.. *Rapport fait au nom de la Commission des Finances* . . . , par M. Manceau, p. 4.

and five years respectively in the cases of invalidity and old age, the Ministry of Labor felt, in the first months of the act, that the task of getting the workers enrolled in these funds need not be stressed so much as that of assigning them to the distributional funds. Up to April 1, 1931, the Ministry had record only of 3,129,000 insured workers who had joined some capitalization fund,⁹⁰ and it had not published the division of this number among the

various types of societies. There were, however, only eighty funds in addition to the national Old Age Pension Fund which dealt with the capitalization risks, so it is to be presumed that the national fund will have a larger percentage enrolled than will the departmental distributional funds. This will still further facilitate the task of constructing centralized institutions and of engaging in preventive medicine.⁹¹

IX. VOLUNTARY INSURANCE

The act permits self-employed persons whose income does not exceed the maxima laid down for the employed voluntarily to take out insurance. They may enroll in any fund and may take out protection against any of the risks covered by the act. They are not therefore compelled to insure against all of the risks in order to get protection for any one of them. The voluntarily insured may not, however, contribute more than 10 per cent of their earnings for the purpose of insurance, nor less than 270 francs a year. This minimum may be reduced to 120 francs if the insured is providing against old age alone. In order to protect themselves against being unduly loaded with bad risks, the funds may require the applicant to present a medical certificate stating that he is not suffering from any acute or chronic disease, and may take certain other precautions of a similar nature.

The funds are to maintain separate sections for the voluntarily insured and are to keep their finances distinct from those under the compulsory plan. The conditions governing payment are in general the same for both classes, save that a ten-year period of prior con-

tributions is normally to be required for the receipt of an old age annuity.

Provision is also made for workers who have ceased to come under the compulsory plan because they have established an independent business or have increased their income above the maximum limits, to transfer to the voluntary system, if they wish, without being compelled to undergo a physical examination. If they do continue their insurance, the accumulated actuarial reserve credited to their old age insurance is transferred to their new account.

It is also possible for married women who are not gainfully employed, by the payment of 10 francs a month to obtain insurance against complete invalidity and old age, although not against sickness nor invalidity which is less than complete. In computing the benefits it is assumed that the average annual wage worth of the services of the housewife would be 1,200 francs a year. If these women become widows or are divorced, they can continue in this type of insurance and can also maintain their former rights to medical care for themselves and their children

⁹⁰ *Bulletin du Ministère du Travail*, July-Aug.-Sept. 1931, pp. 216-17.

⁹¹ *Ibid.*, pp. 216-217. Of these 80 funds, 69 were mutual, 2 regional, 3 trade union, and 6 employers'.

by the payment of a further sum, which is fixed annually by ministerial decree.

HIGHER RATES FOR VOLUNTARY INSURANCE

The worker who subscribes for voluntary insurance has to pay very much more than do those under the compulsory plan. This is because there are no employer's contributions to match his own, and because there is a greater danger of poor risks under the voluntary plan. The extent of the difference between the payments which are thus made is well illustrated by examples which have been worked out by Professor Antonelli.⁹² He has shown that a voluntarily insured worker of 30 years of age who belongs to the fifth category and who takes out insurance equal to that which similarly situated workers under the compulsory plan would obtain, would have to pay an annual assessment of 1,505.6 francs, or 3.1 times the amount the compulsorily insured worker would pay di-

rectly. A worker of the same age in the third category would have to pay an annual contribution of 856.67 francs, or approximately four times the direct cost under the compulsory plan.⁹³

The result of these high rates, coupled with the natural indifference of the main mass of the people towards such opportunities, has been that the number of those subscribing for voluntary insurance has been far smaller than was originally expected. When the law was first being proposed, in 1921, it was estimated that several hundred thousand persons would rather speedily take advantage of the opportunities under the voluntary plan. These hopes have been greatly lowered since on March 1, 1931, eight months after the act went into effect, there were only 30,236 voluntarily insured, of whom 17,921,⁹⁴ or over half, were in agriculture, where the Government grants on behalf of the voluntarily insured appreciably lightened the burden which the latter had to bear.

X. THE SPECIAL PROVISIONS FOR AGRICULTURE

As has been stated, the final act of 1930 created a separate system of insurance for agriculture and forestry, and appreciably lightened the amounts which farm laborers and their employers had to pay.

The joint compulsory contributions of the workers and the employers for the purpose of insurance against old age and invalidity are fixed at only 2 per cent of the basic wage, as compared with the 4 per cent which is devoted to this purpose in the case of the industrial and commercial workers. To this the Government, through the General Guarantee Fund, adds a

contribution of 1.6 per cent for all those over 30 years of age. In so far as the distributional risks are concerned, the agriculturists are to insure in funds exclusively devoted to them, and if they fail to enroll either implicitly or explicitly in a mutual benefit or friendly society, they are considered to be affiliated with the agricultural section of the departmental fund.

None of these funds is required to exact any specific amount of contributions or pay any given rate of benefits. These are instead allowed to vary from fund to fund according to its decision,

⁹³ *Ibid.*, p. 40.

⁹² Antonelli, *Guide Pratique des Assurances Sociales*, p. 40.

⁹⁴ *Annexe No. 231, Sénat Annexe 1931, Session ordinaire Rapport fait au nom de la Commission des Finances . . .*, par M. Manceau, pp. 3-4.

with the exception that the separate contributions of workers and employers must not exceed 5 francs a month. The Government, through the Augmentation and Joint Business Fund (a branch of the General Guarantee Fund), adds to these contributions an allowance of 10 francs a month.

The self-employed peasants may of course take out voluntary insurance. To those who register for old age insurance and who make at least one payment amounting to a minimum of 60 francs a year, the Government adds an allowance equal to the contribution but not exceeding 100 francs a year. The independent peasants may also subscribe for insurance against illness, death, maternity, and so forth, and here again the Government grants duplicate the contributions of those affiliated with a mutual benefit society, up to a maximum of 10 francs a month.

The task of getting the system started in the rural regions was naturally much greater than in the cities, because of the large number of individual employers who had to be reached and the

small scale of farming as compared with that of industry. The result was that by March 1930 there were only approximately 568,000 agricultural wage-workers who were listed as being actually insured under the compulsory features of the act, whereas it had been estimated that nearly one million would be included within its scope.⁹⁵

The mutual benefit or friendly societies succeeded in attracting an appreciably larger percentage of these insured persons than of those in industry and commerce; for of the 568,492 who were enrolled by March 1931 under the act, 280,886, or 49 per cent, belonged to the agricultural friendly societies.⁹⁶ They thus included approximately one half of those insured, instead of three eighths as in commerce and industry.

It is also striking that despite the great advantages which are offered to the independent peasants by the act, less than 18,000 actually came forward voluntarily to ask for the highly subsidized insurance for which they were eligible.

XI. ADMINISTRATION, FINANCIAL CONTROL, AND THE GENERAL GUARANTEE FUND

The government, as such, naturally helps in the administration of the act. The Ministry of Labor has set up in each department, under the general direction of the *préfet*, a social insurance office which acts as the local administrative agency. This office furnishes the forms and records to the employers and receives them back when they have been covered with stamps. It sees that payments are made, and is, in the nature of the case, the local record office. It also keeps record of the insurance funds with which the workers are affiliated, and computes the amounts due to each insuring body. These officers, under the direction of

the Ministry of Labor, took the initiative in getting the law under way and in getting employers, workers, and insurance funds into relationship with one another. They are now more or less in the nature of a force in the background, which not only carries through routine administration, but is ready to function if any agency breaks down.

The Post Office Department, as has been mentioned, sells the stamps to the employers and then pays these amounts into the Deposit and Trust Fund (*Caisse des Dépôts et Consignations*).

⁹⁵ *Annuaire* No. 231, *Sénat*, Session ordinaire 1931, *op. cit.*, pp. 4-7.

⁹⁶ *Ibid.*, p. 3.

This agency then credits to each insurance fund the share of this total which belongs to it on the basis of statements furnished to it by the departmental social insurance offices. While this entails a considerable degree of administrative labor, it is facilitated by the equal shares which are attributed to the distributional and capitalization funds respectively, and by the precise shares which have been worked out for the division of each of these sums between the primary funds themselves, the departmental unions for reinsurance,⁹⁷ and the General Guarantee Fund.

The Deposit Fund advances to the primary funds money on these accounts to meet the cost of benefits according to tentative monthly budgets which are submitted to it by the funds. The aim is, however, to centralize the surpluses as far as possible, to permit of their more effective investment. Detailed regulations regarding the type of investments which may be made are given in the act itself.

As we have mentioned, the distributional funds in each department must organize a union for reinsurance, which receives 4.87 per cent of the total moneys designed for those risks.⁹⁸ The General Guarantee Fund in turn receives 7.47 per cent of those sums and a much larger percentage of the moneys accumulated for old age and invalidity. Its share in the latter case comes to one tenth of the total paid in for persons over 30 years, and to one half for those under that age.

THE GENERAL GUARANTEE FUND

The General Guarantee Fund is managed by a committee of twenty, of

⁹⁷ These exist only in the case of the distributional funds.

⁹⁸ That is, 5 per cent of the sums due the primary funds for these purposes after the deduction of the amounts for the General Guarantee Fund.

whom fourteen are elected by the departmental unions of reinsurance and the primary funds, and two each by the Ministries of Labor and Finance and the Superior Insurance Council. Its work is carried on mainly by two subsidiary organizations which, though distinct from each other, are integral parts of the Guarantee Fund itself. These are the Augmentation and Business Solidarity Fund (*Fonds de Majoration et de Solidarité*) and the Guarantee and Equalization Fund (*Fonds de Garantie et Compensation*). The first of these is given a variety of specific tasks which have the common trait of being expenses for which the primary funds themselves are not liable and which therefore must be met from some other source.

The second is designed, with the departmental unions for reinsurance, to meet the deficits of funds with a bad distribution of risks, so that the insured may, in so far as possible, receive their benefits. We now turn therefore to a more detailed description of the work of these two bodies.

AUGMENTATION AND SOLIDARITY FUND

It will have been noticed that the law guarantees minimum benefits for invalidity and old age which in the early years, and even later for the lower wage categories, will exceed the amounts which the funds will have built up by the process of capitalization for the accounts of the individuals in question. These excesses of benefits over contributions are met by the Augmentation and Solidarity Fund.

The added assessment of 1 per cent which is to be used for invalidity pensions will not begin to be collected until 1937, while the pensions will begin to be paid in 1932. This means that for these five years the full burden of these payments will fall on the Augmenta-

tion Fund. After 1937 it is expected that the contribution of 1 per cent for the first six years and of 2 per cent after that time will be sufficient to meet the charges, which will of course increase with the years. It will not be possible, however, to accumulate so large a sum in advance for these charges as would have been the case had the extra 2 per cent, as provided by the Act of 1928, been charged from the beginning. To this extent, the provision for invalidity is not conducted along the most logical application of the principle of capitalization.

The burden of the invalidity payments upon the Augmentation Fund did not begin until July 1932. During these first two years, however, this fund has been saddled with the expense of the liberal subventions to the agricultural insured. These, as we have seen, apply to the distributional as well as the capitalization risks, and to both the voluntarily and the compulsorily insured. After 1932, these charges, which were estimated at about 796 million francs (\$31,984,000) a year, are to be borne by the national treasury.

Services—

The Augmentation Fund also pays for the allowances for dependent children which are added to the illness, invalidity, and death benefits and to the old age annuities. It also helps to pay the social insurance contributions for those who have been ill for more than two weeks. In addition, it pays out the sums due from the Government under the Old Age Pensions and Insurance Act of 1910, which will naturally decrease with the years. Finally, it assumes the cost of administering the system for the primary and other funds. These, then, are the obligatory charges upon the fund.

There are in addition certain other services which it may assume, if and

when its finances permit. The most important of these is the continuation after the fifth year of medical and hospital care for invalids. This was originally an integral part of the bill, and its elimination by the Senate for financial reasons provoked so much opposition that it was thought best to provide for it as an optional expense which the fund might assume when it could be financially afforded. The total of all these expenses of the fund was estimated at approximately one billion five hundred million francs (\$60,000,000) for the first two years; and thereafter when the subsidies to agriculture are transferred to the Government, at somewhere around 800,000,000 francs (\$32,000,000) annually for the next fifteen years.⁹⁹ Thereafter the expenses are expected to mount slowly to a maximum of about 1,450 million francs (\$58,000,000) by the thirty-first year.

Revenues—

The revenues with which the Augmentation Fund is provided to meet these expenses come from the Government, the employers, and the contributions themselves. The first, as we have stated, pays a yearly subsidy of 540 million francs (\$21,600,000) for the liquidations of the 1910 Old Age Pensions Act. This is the precise liability which the fund assumes because of this in the first year. But since the liability diminishes through time, while the subsidy remains constant, an increasing balance accrues to the fund, which is available for its other expenses. The state also pays to the fund all the economies in poor relief which it realizes because of the passage

⁹⁹ Antonelli, *op. cit.*, pp. 188-189. In the fifth year, when the invalidity payments are to be met by the additional contributions of 1% and the old age guarantees have not yet begun, it is estimated that the total charge to the fund will be only 659 million francs.

of the act, and half of the savings which the departments are able to enjoy. A tentative estimate of 117 million francs (\$5,416,000) was made of the income which would be derived from this source. In addition to this, a very small sum was given to the fund from the profits of the Bank of France and from taxes on games of chance, which, taken together, is not to exceed 5 million francs (\$200,000).

The contributions which the employers make for all workmen earning between 15,000 and 18,000 and 25,000 francs are turned over to the fund, as are also those made by both parties in the case of alien workmen who are ineligible for benefits under the law.

The fund is moreover given a share in the general receipts from all compulsorily insured persons, which is intended to defray its administrative costs and also family maintenance charges. This assessment was fixed for the first year by ministerial decree at 1.2 per cent.¹⁰⁰ It will also be remembered that the parent body, i.e., the General Guarantee Fund, was assigned one tenth of the joint contributions (4 per cent of the basic wage) made on behalf of the capitalization risks for insured persons over the age of 30 years, and one half of such contributions for those below that age. All of the first amount has been assigned to the Augmentation Fund, and four fifths of the latter. This amounts to 5 per cent of the total contributions for those above and 20 per cent for those below 30 years. The remaining 5 per cent, or 0.4 per cent of the basic wage, i.e., $\left[\left(8.0 \times \frac{1}{2} \right) - \left(\frac{4.0}{2} \right) - \left(2.0 \times \frac{4}{5} \right) \right]$ for the younger workers, is assigned to the sister Guarantee and Equalization Fund. From these shares of the sums destined for capitalization risks, the

Augmentation Fund is expected to obtain a revenue of approximately 290 million francs a year.¹⁰¹ The Augmentation Fund is also given 3 per cent of such annual surpluses as may accrue to the credit of the primary distributional funds.

Financial status—

The total receipts of the fund for the first two years were estimated at about one billion francs¹⁰² (\$40,000,000) the first year and 1,100 million for the second, leaving a deficit of somewhere around 500 million francs (\$20,000,000) and 400 million francs respectively. This is due to the loading upon the fund of the agricultural subsidies, and when these were transferred to the Government on July 1, 1932, it was expected that the fund would enjoy an average annual surplus of a little over 300 million francs (\$12,000,000). It is expected, therefore, that the initial deficit of the first two years will be repaid sometime between 1935 and 1936. Pending that time, the fund is permitted to borrow from the National Old Age Pension Fund sufficient sums for the first three years to permit the subsidies for those engaged in agriculture to be met.¹⁰³

GUARANTEE AND EQUALIZATION FUND

The Guarantee and Equalization Fund (*Fonds de Garantie et de Compensation*) obtains its resources as follows:

(1) A deduction of two tenths of one

¹⁰¹ The capitalization risks are apparently not subjected to a further assessment of 1.2 per cent for family and administrative expenses.

¹⁰² Antonelli, *op. cit.*, p. 190.

¹⁰³ It may not be inappropriate to surmise that this refusal of the Government to provide for the costs for the first two years of the agricultural subsidies may have been in part due to the desire of the parties of the center and the right, which, with very brief intermissions, have governed France since 1928, to obtain political favor with the peasants.

¹⁰⁰ *Décret* of July 1, 1930. *R. G.*, p. 160.

per cent is made from all the receipts of the primary insurance funds. After the Guarantee and Equalization Fund has built up a reserve of 100 million francs, this assessment may, but need not be, reduced by ministerial decree.

(2) A further levy of 5 per cent is made on all the receipts of the distributional primary funds.

(3) The residual share of 5 per cent of the total contributions or 10 per cent of those designed for the capitalization risks, which are made by and for those insured persons who are under 30 years of age, is assigned to the fund.

(4) The fund also receives 2 per cent of any annual surplus of given primary distributional funds.

(5) After the tenth year, the capitalization funds are permitted to distribute surpluses in excess of 10 per cent of their liabilities for old age insurance and 30 per cent of those for invalidity insurance, for the purpose of additional benefits or rebates on contributions. If such appropriations are then made, the Guarantee and Equalization Fund is to receive 7 per cent.¹⁰⁴

DEFICITS IN PRIMARY DISTRIBUTIONAL FUNDS

The method of protection against deficits in the primary distributional funds is complicated but exceedingly important. In the first place the funds are expected to build up accounts for each risk and also a general reserve fund. The sums for each risk are determined by ministerial decree and were set initially, as we have seen, at the following percentages of the sums paid in for the distributional risks: sickness and medical care, 73.81; maternity, 9.64; death, 4.21; total, 87.66.

¹⁰⁴ The Augmentation Fund is to receive 6 per cent without paying the budgetary paper—that account was postponed until 1932–33, when the quadrennial parliamentary elections will be over.

The remaining 12.34 per cent goes to the departmental union for reinsurance and the General Guarantee Fund, both of which keep separate accounts for the three purposes mentioned above. If an account shows a surplus of receipts over expenditures in a given year, 20 per cent of this balance must be used to build up a general reserve fund until the latter is equal to the total benefits paid out by the primary or departmental fund during the preceding year. The General Guarantee Fund also receives 5 per cent, of which 3 per cent goes to the Augmentation Fund and 2 per cent to the Guarantee and Equalization Fund. The remainder may then be used to increase the benefits, to provide additional services, and to construct and maintain institutions. It may also be used, up to three fourths of the remainder, for rebates to the contributors.

The deficits which a particular account or fund may have in a given year are classified into three varieties:¹⁰⁵ (1) deficits of the first degree, when the excess of claims over receipts does not exceed one ninth of the amounts credited; (2) deficits of the second degree, when the excess is between one ninth and two ninths of the receipts; and (3) extraordinary deficits, which amount to more than two ninths of the receipts.

When a fund for any of the three purposes pays out more than is credited to that particular account, its first recourse is to its own general reserve fund. This meets the deficit if it can; but if its resources are inadequate, the fund turns towards the departmental union for reinsurance. If the deficit is of the first degree, one half of the outstanding excess is to be taken care of by levies upon the special reserves which the fund has for the other risks, and one half by the departmental union.

¹⁰⁵ *Décret* of July 1930. *R. G.*, p. 191.

The liabilities of the departmental union do not, however, extend beyond deficits of the first degree. When they amount to more than this, the Guarantee and Equalization Fund is called upon for aid. This fund will then turn over to the primary fund sums adequate to meet secondary deficits exceeding those of the first degree. These may be either in the form of outright payments or loans with or without interest.

Should the deficit be of an extraordinary nature and exceed two ninths of the fund's income, the Guarantee and Equalization Fund may act in the capacity of trustee and temporary receiver. It may give the fund either an outright subvention or a repayable loan, on condition that the fund shall reduce its benefits by a proportion not to exceed 20 per cent. If this is insufficient to restore the budgetary equilibrium, it may then order the fund to increase the contributions on behalf of the members up to a maximum of a further 25 per cent.

Such is the machinery which deals with the deficits of the various individual primary funds and which serves to insure their solvency. If a general deficit develops throughout the system as a whole which the Guarantee Fund is unable to meet, the general scale of benefits is automatically to be reduced and that of contributions raised in order that income may once again balance expenditure.

ARBITRATION COMMITTEES

The administrative machinery of the act is, as stated, predominantly in the hands of the Ministry of Labor, which sets up and directs the departmental offices. Three different sets of arbitration committees are provided to adjust any disputes which may arise under the act. These are the technical, the departmental, and the cantonal com-

mittees. The first deals with the disputes between funds and insured persons covering the degree of illness or invalidity which characterizes the latter. Since all such questions are medical issues, these committees are composed of three doctors. One of these is the doctor in attendance upon the patient, another is appointed by the fund itself, and the third by a local judge. If the case is one of illness only, it is the justice of the peace (*Juge de paix*) that makes this last appointment; but if the degree of invalidity is involved, the President of the Civil Court is the appointing officer.

The departmental arbitration committees concern themselves with the disputes between the funds, the medical associations, the hospitals, and so forth. They also deal with the schedules of fees drawn up by the funds as a basis for reimbursements to the patient. They are composed of twelve members, of whom four represent the primary and departmental funds for distributional risks, and four the associations of practitioners, of whom one must be a druggist. Of the other four members, one is appointed by the Ministry of Labor and one by the Ministry of Health, while two are representatives of the hospitals and nursing homes. These bodies are also empowered to take all necessary disciplinary action, subject to an appeal to the standing committee of the Superior Insurance Council. The medical associations are thus not made the final body for dealing with cases of abuse among their members, although they are utilized as much as possible.

The cantonal committee is the third arbitration body. It deals with all disputes which do not fall under the jurisdiction of either the technical or the departmental committees. Its chairman is the local justice of the

peace, and both the local employers and the insured workers name an additional member.

ADMINISTRATIVE ORGANIZATION

The Minister of Labor is the administrative head of the system; but to aid him an advisory Superior Insurance Council has been created, which, through its standing committee, also acts as the supreme court for the settlement of disputes under the act, and which gives advice on problems of policy. This council has fifty members drawn from the various groups and

interests affected by and concerned with the act.¹⁰⁷ A standing committee of twenty-two members has been set up inside this Council, which is to meet at more frequent intervals and which, together with representatives from the National Offices for Ex-Servicemen and Disabled Ex-Servicemen respectively serve as ex officio members. This committee is subdivided into four sections which deal with the following subjects: technical and financial; administration and unemployment benefit; judicial; and medico-pharmaceutical.¹⁰⁸

XII. LABOR DISPUTES AND THE LAW

When the act was put into effect, the great majority of the employers followed the advice of the *Confédération Générale de la Production française* and deducted the workers' contributions from their pay. In most of France this decision was acquiesced in by the workers without open opposition. In the textile and iron industries of the north, however, strikes broke out in the latter part of July. These were in large part due to the social insurance law, but they were also stimulated by the increase in the cost of living, which had been particularly marked in the cases of bread and wine. The retail price index, for example, rose from 569 in May 1930 to 624 in August, or a rise of approximately 10 per cent.¹⁰⁹

In Lille and Armentières the strikes were settled in the latter part of August and the workers returned to the shops. The issue as to whether wages were to be increased was left in the hands of the employers and was to be settled both in terms of the movement of living costs and of general economic conditions.

The struggle at Roubaix-Turcoing was more bitter. The textile consor-

tium here had granted a bonus which was approximately equal to the assessments which the workers were to be called upon to pay. But the employers had set up this bonus in such a fashion as to arouse the antagonism felt towards the consortium by the various groups of unions, whether Communist, Catholic, or belonging to the *Confédéra-*

¹⁰⁷ Of these representatives 10 are chosen by the primary funds, of whom eight must be insured persons, and two employers; 10 are elected by the departmental reinsurance funds, in the same proportion of eight and two; 4 are representatives of the Ministry of Labor; 3 are selected by the agricultural mutual benefit societies, of whom one is a compulsorily and 1 a voluntarily insured person, and one an employer; 2 are representatives of the Ministry of Agriculture, 2 of the Ministry of Finance; 2 members from the Chamber of Deputies and 1 from the Senate are elected by those bodies; 2 are representatives of public hospitals and nursing homes; 2 are elected by the medical associations, and 1 each by the dentists, the midwives, and the pharmacists. The Superior Council of Mutual Benefit Societies elects 2 representatives; and 3 experts in the field of insurance, social welfare, or unemployment are appointed by the Minister of Labor. Finally, the director of the Deposit and Trust Fund and the director of the General Guarantee Fund are members.

¹⁰⁸ See the decree of July 3, which set up this body. *R. G.*, p. 168.

¹⁰⁹ *Bulletin du Ministère du Travail*, 1931 (Janv.-Fév.-Mars), pp. 50-51.

tior Générale du Travail. The bonus was to be paid at the end of a year, as a *prime de fidélité*, to all those who had been in constant attendance during the preceding year:

The relationship between the textile consortium, led by M. Ley, and the workers was already greatly strained. The workers had for long felt that the many welfare activities of the consortium were designed to break up the unions and bind the workers to the companies in both a dictatorial and a paternal fashion. There was indeed much in both the activities and the personnel to justify the workers in this view. Strikes in the past had been frequent and there is little doubt that M. Ley was greatly disliked by the rank and file.

The workers believed that the *primes de fidélité* would be used to penalize those who might go out on strike in any given year, and that they were therefore part and parcel of the whole system which they had come to dislike.

Socialist, Communist, and Catholic unions joined forces and struck against the payment of the bonus in this form. The strike was hard-fought and it was not until September 11 that the workers went back, on condition that the bonus should be based on attendance (*prime de présence*) rather than fidelity, and upon the assurance of the consortium that strikers would not be penalized in any year by the withdrawal on that account of their bonuses.¹⁰⁹

The enactment of the social insurance law was therefore only in part the cause for the strikes in the north, while in the case of Roubaix-Turcoing it was more the occasion than the real motivating force. It was there but one phase of the sharp struggle waged for power, accentuated by mutual distrust, between M. Ley and the unions.

¹⁰⁹ For a description of these strikes from the viewpoint of the employers, see *Revue Politique et Parlementaire*, Vol. 144, 1930, pp. 482-485; Vol. 145, pp. 142-143, 307-319.

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HOCKING, WILLIAM ERNEST. *The Spirit of World Politics, with Special Studies of the Near East.* Pp. xiv, 571. New York: The Macmillan Company, 1932. \$5.00.

This significant book is the result of one of the most fearless and searching examinations ever made of the shortcomings and abuses of a dominant civilization. It is the work of a psychologist, who, having adopted the rôle of historian for the careful assembling of the necessary data, proceeds to

analyze his materials and to point the moral with the calm and dispassionate judgment of the philosopher.

The author's object has been to appraise, not merely in current occidental terms but in universally recognized values, the ethics of European mandate administration in the Near East, in order that the elements of a moral code for colonial administration may be defined and that the new life of the ancient East may be saved. His impressively

thorough study of the methods employed by Great Britain and France in establishing control in Egypt, Syria, and Palestine reveals an imperialism little better than that applied to far less advanced peoples during the nineteenth century. He believes that, in driving Arabic culture to the wall, the West is doing irreparable damage to the only culture comparable to that of Europe; but he sees in the League of Nations a possible source of succor.

Professor Hocking has here set down much of the best in modern thought in the field of political ethics. It is probable that the universally revered moral principles upon which he would erect a code for the conduct of the great nations are those of the Cross rather than of the Crescent; and the historian may doubt the depth and the sincerity of the national sentiment in the Near East on which stress is laid; yet for a work conceived in such a broad spirit of devotion to human welfare and achieved with such a wealth of knowledge and of insight, the reviewer has only unstinted praise.

HALFORD L. HOSKINS

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POTTER, PITMAN B. *A Manual Digest of Common International Law*. Pp. vii, 284. New York: Harper & Brothers, 1932. \$2.50.

According to the explicit statement of the author, the Manual Digest proper, covering sixty pages, constitutes the essential part of the book. It is of this part that Professor Potter writes on p. XVII: "No attempt has been made to provide for each rule or part of a rule stated in Part C an adequate documentary proof by reference to such records of international assent as would constitute that proof. Many of the rules are deductions from other rules and for them no citations would be possible." On pp. 31-32 he states: "The writings of unofficial students of the law, such as this book (Part C), have no conclusive value as evidence of the content of the law. . . . Because of their accessibility and their form and because of the unbiased and competent character of the most private writers of such works they are widely used. . . . But they lack official standing and, as indicated already, they are

often so confused and partial in their presentation of the substance of the law as to be somewhat less than adequate to the purpose."

There is cause for disappointment in these admissions, but then there is discernible in them also a touch of unconscious humor. Unfortunately, the subject matter is so serious that the humor cannot save the situation. What is needed is less doctrine, less deduction, but more realism.

JOHANNES MATTERN

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SCHUMAN, FREDERICK L. (Introduction by Quincy Wright). *War and Diplomacy in the French Republic*. Pp. xvii, 452. New York: Whittlesey House, McGraw-Hill Book Company, 1931. \$4.00.

Dr. Schuman has written a very scholarly volume. It is thorough, profound, and well documented. It will be of immense value to those who wish to dig deeply into the refractory deposits of diplomacy.

The first fifty pages of the book are devoted to a description of the French Foreign Office, its historical growth, its relations to other parts of the Government of the Republic, and the machinery by which it accomplishes its functions.

The second part of the book describes the machine at work. This section might have been published alone under the more conventional title, "Studies in French Diplomacy." It describes in considerable detail eight important foreign problems of the Third Republic and the manner in which they were handled by the diplomatic, political, and psychological forces of the French people.

The titles are significant: The Taking of Tunis; The White Man's Burden in the Far East (Indo-China); Madagascar; The Dual Alliance; The Entente Cordiale; The Irrepressible Conflict; The Crisis of the Alliances; and The Occupation of the Ruhr.

These studies, while they are conceived and carried through with the skill for which Professor Schuman has already established a reputation, and are to be valued accordingly, are in the usual tradition of documented history.

In the third part of the work, however, the author allows himself to philosophize,

and formulates some opinions as to the meaning of this interplay of national forces. This part he calls "The Dynamics of Foreign Policy," and in it he comes to some highly interesting conclusions.

"It is enough to emphasize once more that State action in the international arena has been, is, and perhaps must always be, directed toward an end which is viewed as a value in itself: the acquisition and enhancement of the power of the State in its relations with other States."

"War has always been the decisive incident in the quest of States for power."

"War is the diplomacy of the sword, just as diplomacy is war of the pen."

"It would be naïve to assume, however, that this lip service to peace, even if it be quite sincere and if faith be accompanied by works, involves any fundamental modifications of the politics of power in the Western State system."

"The assumption that democratic control of foreign policy is necessarily conducive to peace is as questionable as the assumption that democratic control is non-existent. . . . Democratic control of foreign policy can mean only patriotic control. And patriotism, in the form in which it has manifested itself most frequently in France and in all modern States, is scarcely conducive to peace."

These are but a few stray sentences in chapters whose pregnant paragraphs demand careful and thoughtful perusal by those who would solve the problem of world peace.

HENRY KITTREDGE NORTON
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CLARK, GROVER. *Economic Rivalries in China*. Pp. 132. New Haven: Yale University Press, 1932. \$2.00.

WARE, EDITH E. *Business and Politics in the Far East*. Pp. vii, 250. New Haven: Yale University Press, 1932. \$3.00.

These two companion volumes in the "World Economic Problems" Series published for the Carnegie Endowment for International Peace appear on the crest of another wave of interest in the Far East. Mr. Clark presents a factual study, indicating in each field of economic activity in China (1) the growth of Chinese participa-

tion and (2) the trend of foreign control. He notes in every field one fundamental change, viz., "the emergence of the Chinese themselves as competitors in the rivalry for business in and with China." Charts and tables add to the reference value of Mr. Clark's study.

Confining attention to the economic interests which foreigners still possess in China, Miss Ware investigates the possible effect upon these interests of the consummation of China's intense desire to abolish extraterritoriality, embracing all phases of foreign privilege. Miss Ware's treatment serves to accentuate the complexity of the problem. She endeavors to support the thesis that foreign participation in Chinese business is not dependent upon the continuance of extraterritoriality; indeed, that in many respects, it has developed without extraterritoriality. And still, at the conclusion of an admirable survey of modern Chinese law and legal procedure—the judicial power to which foreigners will be amenable when extraterritoriality shall have been abolished—we read (p. 27) that "law to the Chinese is merely a tool for the use of some agent of government." Moreover, we read (p. 41), "The practices of buying and selling . . . proceed without any regard to extraterritoriality"; while on page 56, the growth of Chinese participation in China's economic activities, statistically traced by Mr. Clark, is attributed to the "security for the parent institutions in the special areas held by foreigners who had extraterritorial privileges." There appears to be confusion between the *methods* of successful business, which rest upon business acumen and mutual confidence; and *security* for business, which is directly related to extraterritoriality.

Part IV of the book surveys Japanese interests in Manchuria as a practical illustration of foreign privilege in China. Miss Ware faithfully portrays the developing Japanese forces of tolerance and peace which were rudely jolted on September 18, 1931. Whether constitutional government in Japan will ultimately achieve supremacy is a question; the solution of the threatening situation in Manchuria is by means of international coöperation under League auspices. This, all of the powers, and particularly China and Japan, must accept if the world

is to be saved from catastrophe arising from Sino-foreign differences.

ROLAND L. KRAMER

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CHURCHILL, WINSTON S. *The Unknown War: The Eastern Front*. Pp. xv, 396. New York: Charles Scribner's Sons, 1931. \$5.00.

This is another interesting volume on the World War from the facile pen of this dynamic Englishman who, despite his Toryism, has a good deal in common with President Roosevelt. He shares with our former President a fine style, unbounded enthusiasm, vivid imagination, absolute confidence, and commendable loyalty to convictions not always too sound. What, for example, could be more defiant and subtle than the dedication of this volume to "our faithful Allies and Comrades in the Russian Imperial Armies"? The old régime could not call for a more dogged devotion. On the other hand, the Serbs are flayed for erecting the monument to Princip, the assassin of the Archduke. It "records," says Churchill, "his infamy, and their own" (p. 54).

But despite the Tory point of view, we have here a brilliantly written account of the Russian, Serbian, and Rumanian aspects of the Great War. There is also a section on the Dardanelles and Beyond, though the ill-fated Gallipoli expedition—except for the account of the landing—is allowed to fade out of the picture without much comment. Five chapters on the diplomatic antecedents of the War rather over-weight this part of the subject, the more so, that there is nothing new or especially revealing in the story. The point of view scarcely reflects the progress made in the study of this subject in recent years.

On the War itself, however, the account is of first-rate importance, the real value arising less from a careful study of the documents than from the author's close contact with public affairs, and his knowledge of military and naval matters. Only a Churchill, for example, could present the military operations on the Eastern front in the Autumn of 1914 so accurately as to military details, without sacrificing the dramatic character of his narrative.

There are occasional slips, as, for example, the statement that "The British and French staffs who had been in contact since the Algceiras Conference in 1908 remained in closest association during these weeks" (p. 35). The conference occurred three years earlier, and hence, too, the association of the British and French staffs is pushed back to the earlier date.

Of interest on the subject of preparedness is the statement: "I became First Lord of the Admiralty in October and thereafter devoted myself exclusively to the preparation of the fleet for war and to securing its instant readiness." The apochryphal Potsdam Conference is abandoned, but in its place Mr. Churchill accepts the full significance of Schmitt's statement of what happened, adding a melodramatic interpretation of motives equal to Ludwig at his best (p. 66). The black-and-white plans and diagrams, of which there are many, add materially to the effectiveness of the presentation.

WILLIAM E. LINGELBACH

University of Pennsylvania

GOOCH, G. P., TEMPERLEY, HAROLD, and PENSON, LILLIAN M. (Eds.). *The Agadir Crisis—British Documents on the Origins of the War, 1898-1914*. Vol. VII. Pp. lxxii, 917. London: His Majesty's Stationery Office, 1932. \$4.00.

In 1924 Mr. Ramsay MacDonald, then Prime Minister and Secretary of State for Foreign Affairs, announced the decision to publish a selection of material from the British diplomatic documents dealing with the origins of the World War. Under the able editorship of two eminent English historians—G. P. Gooch and Harold Temperley—the work is being carried on with that "impartiality and fairness" which the Government's official statement stipulated as necessary for a work of this kind.

The first volume to be published was the eleventh, dealing with the events of July and August, 1914. The present volume is devoted to the second Morocco Crisis (1911). The bulk of the material consists of dispatches from Sir Edward Goshen from Berlin, Sir Francis Bertie from Paris, and Sir Maurice Benson from Madrid, with copious extracts from continental papers

and memoranda of the Foreign Office, all presenting a vivid and hitherto unrevealed picture of the different phases of the controversy.

The major interest of the volume centers about the British efforts to bolster up Spanish interests in Morocco; the curious action of Izvolsky, who stubbornly resisted letting matters come to war over a question so entirely French and so remote from Russian interests; the further estrangement of Great Britain and Germany; and the report of the meetings of General Dubail, Chief of Staff of the French Army, and Sir Henry Wilson, Director of the War Office military operations, on July 30, 1911 and subsequently, "to determine the conditions of the eventual participation of the English Army with the French of the North East in a war against Germany." Liberal extracts from the private papers of Sir Edward Grey and Lord Carnock add considerably to the clarification of certain points, while another long memorandum of Sir Eyre Crowe, of January 12, given in Appendix III, again reveals that individual's obsessions.

WILLIAM E. LINGELBACH

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COLE, G. D. H. *British Trade and Industry: Past and Future*. Pp. xxiv, 466. London: Macmillan & Company, Ltd., 1932.

This is by far the best analysis of the current economic position of Great Britain that has yet appeared. It is a valuable and judicious assembling of historical material and recent developments, interpreted by an able economist. While the surveys by Professor Andre Siegfried have been helpful, they are after all by an outsider whose foreign viewpoint tinged what he wrote. This treatment shows the intimate knowledge and appreciation that is probably possible only to a British national. At the same time the author, whose sympathies are not with capitalism, is able to pass sharp judgments upon many features of his country's life.

After an introductory discussion entitled "Plenty and Scarcity," in which the anomalies of our present world economy are vigorously presented and the current trends of economic thought analyzed, Mr. Cole

devotes six chapters to an outline history of British trade, eleven chapters to postwar conditions, and a final chapter to his general conclusions.

The historical chapters give a concise and well-balanced treatment which is, on the whole, well in line with surveys by other writers. It shows the socialistic viewpoint of the author, but is strongly buttressed by elaborate data. In fact, if any criticism were advanced regarding the method of treatment, it would be at the inclusion of so many figures in the text. They are in the numerous tables, and an interpretation of them in which they were not repeated so completely would have been more effective. This is unimportant, however, for the volume is presumably written for the serious student rather than for the casual reader.

The conclusions of the author regarding "the great depression" toward the end of the nineteenth century are that its root cause "is to be found, not in the monetary situation, but rather in the world's growing pains in adapting itself to a radically new set of economic conditions"—a judgment with which the reviewer heartily concurs. This tendency to relegate monetary phenomena to their proper place is found in many other parts of the volume. The author very sanely finds that the difficulties subsequent to 1925 were due not to a return "to the gold standard—for that was on the whole a desirable step in the interests of London as an international financial centre—but in going back to it on a basis of pre-war parity."

A brief summary like this permits but little discussion of the mass of material and ideas with which the volume is packed. To the reviewer the most valuable chapter is the one on the wages question, which is admirably balanced. The most interesting and perhaps the most debatable chapter is on the need for home development. Mr. Cole is not an extremist, but even so, one may wonder whether the British can find as much relief as he believes through internal activity. If we accept with him, as the reviewer does, the need for more state guidance, and if we believe that it will work reasonably well, it is easy to picture a larger productivity. Yet the British economy is now so closely knit into the world

economy that a shift in emphasis will be far from easy.

Most difficult of all is the need for a further elaboration of the many issues raised by the concluding chapter on "The Parting of the Ways." Mr. Cole brings us face to face in his introduction with his contention: "It looks today as if the Victorian epoch of *laissez-faire* were but a brief interlude between two long periods of collective regulation." This is clearly in line with world trends. But it may easily mean that the pressure of events is toward an intensified nationalism with all of its implications. More state socialism means a more unified national economic life and the probability of more economic strain between the various national groups. At present all countries seem caught in this dangerous situation, with little indication that we know how to secure the world harmony that is so important.

ERNEST MINOR PATTERSON

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BEALS, CARLETON. *Banana Gold*. Pp. 366. Philadelphia: J. B. Lippincott Company, 1932. \$5.00.

In this account of his "Odyssey" through Central America, Mr. Beals has succeeded in reproducing the flavor of "the raw tropics" far more successfully than his "Mexican Maze" ever caught the colors and contrasts of Mexico. The secret of his success here lies in the comparative restraint of the writing. Instead of a lush vocabulary and labored descriptions, we get sharp, compelling pictures of the peoples and the countryside of Guatemala, Salvador, Honduras, and Nicaragua. Historical incidents, political intrigues, and the machinations of Baron Banana and coffee kings, are woven into the pattern. What emerges is not a single story of imperialistic exploitation, nor a romanticizing of the unspoiled tropics, but a series of straight, vivid, word-pictures of Indian folk, enduring and resisting—as is true throughout two thirds of Latin America at least—peonage, dictatorship, militarism, and exploitation. It is the technique that is significant, and that, with the attractive Merida illustrations, makes this a successful book—bright-colored, sharp-edged, sparingly drawn.

The latter half of the book tells of Beals' journey in to General Sandino's camp in the interior of Nicaragua, when, as rebel chief, he was actively resisting the Chamorro-Diaz forces and the American marines. This is a thrilling tale, but it does not contribute enormously to our understanding of the Nicaraguan situation. Sandino emerges with somewhat Homeric proportions; Beals himself as a Ulysses of no mean stature to have achieved so difficult an interview, and one that remains distinctly to his credit.

MARGARET ALEXANDER MARSH

Smith College

BRADY, ALEXANDER. *Canada*. Pp. 374. Toronto: The Macmillan Company, 1931. \$4.00.

There are many reference books which give statistics in regard to population and production, reviews of individual industries, or the discussions of the political problems of Canada. It is doubtful, however, whether any of the other books that have ever been written on this subject, or any combination of them, go so far in giving the feeling of the atmosphere of the country and an unbiased interpretation of the majority of the social, political, and economic problems as does this book by Alexander Brady. He has caught that elusive viewpoint which may be called distinctly Canadian, and contrasted it with the British outlook on the one hand and the American on the other. He has attempted to show what influences have their origin in British tradition and what come from across the border, and to combine these two trends with those which are due to the climate, the topography, and the setting of Canada in her North American environment. With the bold strokes of modernistic painting he has characterized the art, the literature, the political institutions, the press, and the economic life of the country. In dealing with each subject he has given sufficient historic background to help the foreign reader in his grasp of Canadian problems, but the whole atmosphere of the book is modern; it deals with the subjects that are under discussion in Canada today.

It is a huge task to condense so large a scope into a short volume. It is even more

difficult to review so good a job in the few words allowed by your editor.

DONALD MARVIN

Montreal, Canada

KIRKLAND, EDWARD C. *A History of American Economic Life*. Pp. xv, 767. American History Series, Dixon Ryan Fox, General Editor. New York: F. S. Crofts & Company, 1932. \$5.00.

In fifteen chapters, tending progressively to the method of topical treatment, Professor Kirkland much more than summarizes his subject. His scale allows him room in which to maneuver. He presents facts and interpretations, and sets up a book that is more interesting than a college text is usually expected to be. The work is a credit to the painstaking editorial supervision of Professor Dixon Ryan Fox, and is entitled to full consideration either as the basic guide in a course in economic history, or as collateral in a general course in United States history. The presentation of the last thirty years is admirably conceived and fully executed.

FREDERIC L. PAXSON

University of California

BROOKS, WILLIAM E. *Lee of Virginia*. Pp. xix, 360. Indianapolis: The Bobbs-Merrill Company, 1931. \$3.50.

RICHARDSON, E. RAMSAY. *Little Alect: A Life of Alexander H. Stephens*. Pp. xv, 358. Indianapolis: The Bobbs-Merrill Company, 1932. \$3.50.

By a curious coincidence, or possibly by wise foresight on the part of the publishers, we have the biographies of two Confederate leaders—General Robert E. Lee, the military commander of the Southern forces, and Alexander H. Stephens of Georgia, “the fighting Vice-President of the Confederacy”—appearing at the same time. Both joined the Confederate forces reluctantly; both were strong and vigorous leaders when they once gave their adhesion. One impressed the world with his military ability, the other with his statesmanship. Both were held in high esteem in the South, and in high respect. Both achieved a high place in the affection of their adherents, amounting, especially in the case of Lee,

almost to idolatry; both won the respect of their opponents.

While neither biography can be regarded as definitive, both are fair, considering the fact that they are written by admirers, and they are certainly highly entertaining. Written largely from the personal rather than the general point of view, they give well-rounded pictures of men who were serious-minded and conscientious in their advocacy of “the lost cause.”

Lee and Stephens offered many striking contrasts, which are well developed in the two volumes. Lee was calm, deliberate, dignified, at times even compelling awe, gentle, forbearing, and, as a military leader, resourceful. Indeed, one of the interesting developments of recent times has been the high estimate placed upon his military strategy especially by foreign students and critics. Stephens was courageous, farsighted, eloquent, fiery, and, in the judgment of posterity as of his compeers, a statesman. Lee might be termed the typical Virginia gentleman; Stephens, the typical Southern gentleman.

It is interesting and important that these two books have been published at the same time, because it brings out certain facts not usually recalled, especially the fact that both men enlisted in the Southern cause against their better judgment. Brooks feels that Lee took the stand that he did, throwing in his lot with the Confederacy, because he was “too subservient” to its civil authorities and because, to quote another authority, “Lee with all his greatness, . . . is something parochial.” Stephens was only less so, for as much as he loved the Union, he loved Georgia more. “To Georgia was due his first loyalty.”

While having a considerable value as a contribution to the history of the period, the chief value of these books lies in the fact that they give a good popular account of two men who bulk large in the history of our country through one of its most critical periods, and afford a striking picture of their personal loyalty to a cause and their willingness to accept defeat and adjust themselves with a fine spirit of responsibility to a new condition of affairs.

CLINTON ROGERS WOODRUFF

Philadelphia

ACHESON, SAM HANNA. *Joe Bailey: The Last Democrat*. Pp. xiii, 420. New York: The Macmillan Company, 1932. \$2.50.

Unenviable is the lot of the biographer who has selected an orator as his hero. Almost invariably it has been manner, incommunicable in print, rather than matter, which has brought the great man his reputation. It is surprising how commonplace and uninspired the most electric of orations appears after the event; and quite often those few which do not so suffer, have, like Lincoln's Gettysburg speech, made only a mediocre impression when they were actually delivered.

Orators are subject to the same fate as their orations. In perspective they seem to lose all the fire and personality they must have owned in the flesh. Their ideas, through the very fact that they proved so convincing when first they were heard, turn out to be obvious, even puerile, in retrospect. The elocutionist dwindles into the exhibitionist, and we marvel at the influence he wielded over his generation.

Mr. Acheson, who has ventured to play biographer to Joseph Weldon Bailey, struggles manfully against this handicap, but in the end it gets the best of him. Mr. Acheson has been careful to quote what are in all probability Bailey's most momentous utterances. But frankly, it is hard to visualize how completely these ingenuous platitudes fired his audiences. Of his more substantial legal work, there are far too few examples. Senator Bailey emerges from this study a rather petulant and pompous spinner of phrases. But so do others of his stamp when it comes their turn to be written up. From Cicero to Webster, what turgid asses the great orators appear! It is the misfortune of all of them that no words, however artfully compounded, can ever reproduce the flash of the eye, the majesty of gesture, the propulsion of personality which are the vital parts of their equipment.

Mr. Acheson has done everything for Bailey except the impossible. His biography is scholarly, well written, and discriminating; but he has not been able to make the magic of the man live anew.

ALPHONSE B. MILLER

Philadelphia

SMITH, HENRY JUSTIN. *Chicago: A Portrait*. Pp. viii, 386. New York: The Century Company, 1931. \$5.00.

Chicago has been the subject of so much criticism within recent years that it is refreshing to have a champion spring to its defense. As has been the case in so many cities, the recent tendency has been so to emphasize and overemphasize errors, shortcomings, and evils that the impression has been created that our American cities are wholly bad. The hypercritical treatment of municipal life and development is as harmful as the ballyhoo treatment. Mr. Smith, who approaches his task from a thirty years' editorial observance, seeks to show (and does it very well) how great have been the accomplishments within the past generation. He does not treat this physical growth as a barker at a side show, but as a thoughtful observer who sees a strategically located city pass through five important phases: the pioneer town; the city of early youth; the city after the fire; the newly planned city following the Columbian Exposition; and finally, the city "that is physically as gigantic as its reputation." Mr. Smith has drawn a great picture, helped by the splendid illustrations.

It is easy to understand how Chicagoans have grown tired of the dark pictures of their city. They will welcome this appraisal of the truly remarkable physical accomplishments. Students of municipal life will welcome a study of the civic life of this wonderful city as affected by these developments. Are standards of personal and community life higher as a result? Is life better worth living there? Is there a higher regard for the finer things of life? Perhaps Editor Smith, who has shown himself in the present book an observer and a student of discernment and power, may give us a companion volume that will answer these and similar questions.

CLINTON ROGERS WOODRUFF

Philadelphia

BECKER, WALTER. *Haushaltsrechtliche Grundfragen in den Vereinigten Staaten von Amerika, unter besonderer Berücksichtigung*

sichtigung des Spargedankens. Pp. 79. X. Berlin: Carl Heymanns Verlag, 1932. Paper, RM 5.

This is a competent but not particularly original analysis of the budget system of the Federal Government of the United States, and its relation to the constitutional division of powers. Although probably of some value to German students of political science, it contains very little with which Americans are not already familiar. Wiloughby, to name only one of several, has dealt with essentially the same subject in greater detail and with more cogency.

HOWARD BECKER

Smith College

GOOCH, R. K. *Regionalism in France.* Pp. xii, 128. New York: The Century Company, 1931. \$1.75.

This is a study undertaken some years ago for the University of Virginia Institute for Research in the Social Sciences. Professor Gooch has devoted to it, in addition to much subsequent work, the major portion of a year's residence in France, profiting by an extremely wide acquaintanceship among all groups of French leaders in thought in policy.

Though the book is extremely brief, almost a third of it is devoted to a discussion of the organization of French local government and a chapter devoted to the thesis that liberty in the modern state can best be secured, not by the maintenance of a direct relationship between the individual and the state, but by the establishment of relations between the state and the group, whether syndical or regional.

The author accepts the general idea that an ultimate devolution of administrative power is inevitable, but he does not fall into the error of assuming that it is likely to be a development of the near future. He is too well aware of the fact that the Left is the chief source of opposition to Regionalism, and that the Left slowly but surely gains in political power. Though he avoids an open statement, he seems to believe that the Left may be won over by adopting the C. G. T. distinction between *étatisation* and *nationalisation*.

GRAYSON L. KIRK

University of Wisconsin

LEWINSON, PAUL. *Race, Class, and Party.* Pp. x, 302. New York: Oxford University Press, 1932. \$3.75.

It is a common belief in the United States that Negroes do not vote and never have voted in significant numbers, and that their participation in our government may consequently be largely disregarded by students of American politics. Dr. Lewinson has conclusively dispelled this myth by tracing in considerable detail the history of Negro suffrage from the days of slavery to the present time. His discussion of the peaks of disfranchisement of our colored population during slavery, the Reconstruction, and the later agrarian discontent, shows a keen understanding of the basic motives in the restriction of the colored ballot and of colored officeholding, and demonstrates the truth of the statement that Negro political support is generally sought by white men who believe they can profit by it, and indignantly spurned by those who are more secure without it.

Particularly valuable is Dr. Lewinson's survey of the Negro in politics during the last two or three decades, which shows erratic changes in policy towards the colored citizen, varying not in accord with the needs of good government or "broadmindedness," but rather with such factors as industrialism, urbanization, and the selfish desires of white parties or blocs for votes.

DONALD YOUNG

University of Pennsylvania

HOWARD, MAYNE S. (Ed.). *The Tax Research Foundation.* Federal and State Tax Systems (Third Edition). Pp. 145. Chicago: Commerce Clearing House, Inc., 1932. \$10.00.

The editor has explained in the Foreword that this book, with its subsequent editions, is intended to be "first, an annual encyclopedia; second, a manual; third, a textbook; fourth, a source book, and so, it is hoped, a whole library on taxation." As a matter of fact, this edition includes charts describing in substantial detail the taxes imposed by the United States Government, and the taxing systems of the forty-eight states, the District of Columbia, and our territories, as well as those of seventeen foreign nations. These have been pre-

pared by recognized authorities in their respective jurisdictions.

The last section of the book, running to nearly fifty pages, consists of charts showing how a specified subject is taxed under the laws of each state and territory. These include, among others, such items as bank deposits, national bank stocks, building and loan associations, chain stores, dividends, personal income, intangibles, realty, and tobacco. There are also charts relating to legislative sessions, amounts collected in 1930 under various tax laws, and the powers of tax commissions.

The book is a veritable mine of tax information, clearly presented and well printed.

JOHN G. HERNDON, JR.

Haverford College

NATIONAL INDUSTRIAL CONFERENCE BOARD. *Sales Taxes: General, Selective, and Retail*. Pp. ix, 79. New York, 1932. \$2.00.

Recent attempts to balance the Federal budget, with resulting debates on the merits of manufacturers' sales taxes versus selective sales taxes, give this little volume additional interest. The purpose, as stated in the preface, is to give a "concise statement of the extent, variety, and nature of sales taxes, with particular reference to their economic and fiscal possibilities." Accordingly, little attempt is made at original research, but previous studies in the field are drawn upon liberally.

Although three classes of sales taxes are discussed, almost half the space is devoted to the general sales tax. Major attention is devoted to problems of administration, such as exemptions, classification of industries, distinctions between taxable and non-taxable transactions, pyramiding, and interstate sales, with a special chapter on shifting and incidence. The treatment of both selective and retail sales taxes is rather sketchy and inadequate.

Special students will find little new in the volume, but it should be helpful to those wanting a brief description of sales taxes and the problems likely to be encountered in their use.

CHARLES P. WHITE

University of Tennessee

LEAGUE OF NATIONS PUBLICATIONS, II. ECONOMIC AND FINANCIAL. *Taxation of Foreign and National Enterprises in France, Germany, Spain, The United Kingdom and the United States of America*. II. A. 3. Pp. 275. Boston: World Peace Foundation, 1932. \$2.50.

Notable progress toward the elimination of international double taxation has been made during the past decade as a result of the work of a series of committees and conferences of the League of Nations. *Taxation of Foreign and National Enterprises* represents the latest contribution to the study of this problem. It is designed to meet the need for more information concerning the actual practice of different countries in allocating for tax purposes the profits of business enterprises operating in more than one country.

The detailed accounts of the tax systems and allocation methods of the five countries covered by the study have been prepared by finance officials and experts of those countries, who are thoroughly acquainted with the law and its administration. These accounts follow a uniform outline, which facilitates comparisons, and are accompanied with recommendations to the Fiscal Committee. They are preceded by a general survey prepared by Mr. Mitchell B. Carroll, director of the inquiry, which coordinates and summarizes the data appearing in the detailed accounts.

The investigation is clearly in competent hands, and this and the further work of the inquiry, which is still in progress, should materially advance the work of determining a reasonable and uniform allocation of business income which will prevent double taxation.

MABEL NEWCOMER

Vassar College

MANOILESCO, MIHAIL. *The Theory of Protection and International Trade*. Pp. xxxi, 262. London: P. S. King & Son, Ltd., 1931. 12s 6d. net.

BEVERIDGE, SIR WILLIAM (and others). *Tariffs: The Case Examined*. Pp. xii, 301. New York: Longmans, Green & Company, 1931. \$2.00.

These two volumes are a strong contrast in method of treatment and in conclusions

reached. The first is by a Rumanian who is an enthusiast for protection and firmly believes he has made an important contribution to the theory of the subject. The English authors of the second are confessedly restating free trade argument, but in the light of present economic conditions.

It is odd that there are so few competent presentations of protectionist doctrine. List's treatment is a classic, and more recently Josef Grunzel has given a notable survey of protectionist practice and its defense. Unfortunately, M. Manoilescu has been unable to equal them. His picture of the position of different countries is interesting, but his proposal to correct it by a system of tariffs is unconvincing. In Part I he presents "the facts"; in Part II, "the theory"; and in Part III, "realities and conclusions." The presentation of the theory is largely mathematical and leads him to the view that "protection will be given only to those industries of which the productivity surpasses the average productivity of the country, and will be refused generally to those industries whose productivity falls below this average." Among the difficulties encountered by the reviewer are the apparent measurement of productivity by labor-time, and the implicit rejection of the function of price in adjusting production. In many places, a reference to the concept of "opportunity costs" would have been a great help.

Sir William Beveridge and his collaborators have rendered a distinct service in restating the case for free trade at a time when the movement toward protection is so pronounced. It is presented in general by Sir William in the first ten chapters. There are then chapters on the relation of tariffs to dumping, imperial preference, agriculture, revenue, the practice of tariff making, and quotas and import boards. In the last chapter the case is reviewed by Sir William. This list of topics indicates that the most up-to-date aspects are the ones treated.

A reader puts the books down with a feeling of disappointment. With protection so rampant, there ought to be possible a better explanation and defense than the one by M. Manoilescu; and there must surely be a flaw in the logic of the free trader who is so confident of his position.

To the reviewer, this difficulty is to be found in the assumption by the free trader that there is an economic harmony of interest in the international field. He (the free trader) is ready to recognize that there are real clashes of interest between various economic groups in the domestic economy, but still refuses to admit that there may be similar divergencies of interest between national groups. The protectionist, in turn, is prone to exaggerate the differences and to find in the crude device of the protective tariff a suitable corrective.

ERNEST MINOR PATTERSON

University of Pennsylvania

GREGORY, T. E. *The Gold Standard and its Future*. Pp. viii, 115. New York: E. P. Dutton & Company, 1932. \$1.50.

This little book was clearly inspired by the English suspension of the gold standard last September, and was written shortly after that event; but it possesses more than temporary and purely British significance. The first two chapters contain an admirably lucid and nontechnical discussion of the operation of the gold standard, both in theory and in postwar practice. The unsatisfactory functioning of gold in recent years is explained as primarily the result of conflicting national policies which have interposed obstacles in the way of those adjustments of price and income levels which the international use of gold is theoretically supposed to bring about.

After an analysis of the reasons for the departure of Great Britain from gold, and the probable effects upon her industry and foreign trade, there is a final chapter of conservative prophecy. Professor Gregory concludes that the concept "of a managed standard as a permanent institution is still strange and unwelcome to a large part of the business world and of the public generally"; further, that "a universal, permanent departure from the gold standard as a conscious act of choice is most improbable"; and finally, that England will avail herself of this opportunity to restore gold at something below the old mint par. Both the time of this return and the new value will depend largely upon the future movement of world gold prices.

The book exhibits no bias, either opti-

mistic, pessimistic, or nationalistic. It should be read by every one who desires a compact and competent treatment of some of our most interesting and important problems.

M. B. CUSHING

Bowdoin College

FEAVERYEAR, A. E. *The Pound Sterling, a History of English Money*. Pp. x, 367. New York: Oxford University Press, 1931. \$5.00.

"From the silver pennies of King Offa of Mercia to the Currency and Bank Notes Act, 1928, is a long story, but nevertheless a continuous one. There has been no real break in the history of the pound sterling" (p. 332). This statement enshrines the theme of Mr. Feaveryear's delightfully written book, and he succeeds admirably in tracing the history of the English monetary unit through its successive transformations of gold, silver, and paper during more than a thousand years of continuous usage.

Such an aim, as the author suggests in his preface, necessitated "an attempt to combine a history of coinage and the paper currency with so much of the history of the Bank of England and the other banks as was required to make a complete account of the monetary system." The field is a large one, and few successful attempts have been made to synthesize all of the elements interwoven into the story. Yet Mr. Feaveryear may be said to have attained his goal; and if in a few cases (e.g. the discussion of the origins of banking in England) he seems to have overemphasized some factors at the expense of others, these minor weaknesses only accentuate, by contrast, the impartiality and accuracy of the whole treatment.

It is impossible to mention all of the interesting problems raised by this study, but in the light of recent monetary developments, attention may well be called to the careful analysis of the great debasement of the coinage under Henry VIII, and to the study of monetary policy and its effects during the Bank Restriction period a century ago. In both cases Mr. Feaveryear has shown the causes leading gradually to measurable effects, and, in the latter instance particularly, his treatment sug-

gests that discussions of monetary theory have advanced little during the past century.

In conclusion it may be said that although the book is fully documented and shows signs of much study and careful thought, these lucubrations do not obtrude themselves. The author is to be congratulated on having written a book that is both scholarly and easy to read. Indeed, his style has a peculiar quality that often enhances the interest of his subject. *The Pound Sterling* is a book that all students of monetary problems should read, and one which most of them will also enjoy.

F. CYRIL JAMES

University of Pennsylvania

SALTER, SIR ARTHUR, K.C.B. *Recovery: The Second Effort*. Pp. xvi, 347. New York: The Century Company, 1932. \$3.00.

This study has been received by a large body of readers with the enthusiastic approval it thoroughly deserves. The author's wide experience and great ability were an advance assurance of its careful preparation, accuracy of statement, sanity of outlook, and spirit of liberalism. In none of these qualities is it disappointing.

The first three parts survey the developments of recent years. Our troubles are diagnosed as due not to destruction but to dislocation, but a dislocation so serious that the necessary readjustments have not yet been made and in many directions seem farther away than ever. The strain has been intensified rather than relaxed. The world is now so intricate that planning has become vital, yet "without securing the advantages of deliberate planning, we have enough official control and private privilege and monopoly to impede the automatic adjustments, and to restrict the benefits of competition to the consumer."

The survey is an extended one, and is concluded with a fourth part devoted to "a program of action in summary." First-aid measures include reduction of reparations and war debts; a restoration of gold prices to, say, the level of 1929; a resumption of foreign lending under better safeguards than in the past; internal reforms, particularly rationalization in some coun-

tries; and political appeasement. Through the more distant future there must be developed a new world order with better money and credit systems; an improved economic organization; more intelligent performance of governmental functions; and a victory for the collective system of assuring peace, in opposition to the present one of national armaments and military alliances.

ERNEST MINOR PATTERSON

University of Pennsylvania

STAMP, SIR JOSIAH. *The Financial Aftermath of War*. Pp. 149. New York: Charles Scribner's Sons, 1932. \$1.75.

Written as a series of lectures arising out of a vacation and designed for a local English audience, these chapters were aimed to explain to hearers who were largely unfamiliar with economic problems the chief facts and developments in English postwar finance. The lectures dealt with taxation, inflation, deflation, and reparations. Mr. Stamp added to these a later broadcast address upon the gold standard. To the average American reader the volume may make difficult reading, because it is set so largely in terms of the familiarity of Mr. Stamp's hearers with the English situation. On the other hand, it is, with this qualification in mind, an extraordinarily lucid and simplified discussion, driving home in the most elementary terms the salient facts of the economic and financial problems of the period.

HERBERT MAYNARD DIAMOND

Lehigh University

HANSEN, ALVIN HARVEY. *Economic Stabilization in an Unbalanced World*. Pp. x, 384. New York: Harcourt, Brace and Company, 1932. \$3.00.

Professor Hansen has written altogether too valuable a book adequately to be reviewed in the space limitations imposed upon the present reviewer. Suffice it to say that the establishment of a prescribed course in readings on world problems for Congressmen and American statesmen, with this volume as an introductory text, might assist them to a better understanding. The book is divided into four sections: (1) International Causes of Insta-

bility, (2) World-Wide Unemployment, (3) Population Stabilization, and (4) Towards a Stabilized Capitalism. "The author believes that much of the world's present instability has been caused by wrong governmental policies and other unfortunate forms of social control," and he warns that we must not rush into all manner of measures of control without adequate appraisal of the probable consequences.

His book therefore sets out to examine the causes of economic instability arising out of the postwar period, and approaches the problem from a broad, international, historical and economic view. His discussion of the war debts and reparations problems and the tariff policies of the postwar period are particularly illuminating, especially in the light of the events of the past two years, and would, if widely read, do much to clarify popular understanding of these issues. To American readers, also, who seek understanding of the merits and the deficiencies of public systems of unemployment insurance, Professor Hansen's discussion should serve to summarize the situation very well. His concluding section may well prove in spots to be overtechnical for the lay reader. Nevertheless, some such critical understanding of the meaning and significance of social effort towards stabilization is urgently required as we face the years ahead.

HERBERT MAYNARD DIAMOND

Lehigh University

COLCORD, JOANNA C., KOPLOVITZ, WILLIAM C., and KURTZ, RUSSELL H. *Emergency Work Relief*. Pp. 286. New York: The Russell Sage Foundation, 1932. \$1.50.

The Russell Sage Foundation has a well-earned reputation for fact-finding and for careful description of conditions, which is well sustained in this new volume. Emergency relief has been a paramount problem in practically every American city during the past two years, and we have in these pages a clear and definite account of what has been done in 29 of them in 1930-1931. This study brings out that there is a very wide diversity of opinion even within three general groups, and while there is considerable talk about the social technique there

seems to be little agreement as to what may be considered proper social standards in relieving distress either in normal or abnormal times. The three groups considered hold respectively that relief to the able-bodied is demoralizing; that relief without an equivalent in labor is a waste of money; and that relief is not necessarily demoralizing when accompanied by skilled service.

No conclusions are set forth and no recommendations offered. That was not the purpose that Miss Colcord and her collaborators had in mind. They, as trained observers, sought to ascertain the facts; not to prove a theory. The studies were undertaken in response to a request from President Hoover's organization on Unemployment Relief.

There will be general agreement, however, with their final statement that "work relief is certainly no solution for the problem of unemployment: it remains to determine how effective it may become in offering a solution for some of the problems of unemployed individuals. We have not attempted to approach this question ourselves. Only detailed case studies, of the 'before-and-after' type, would produce the material upon which a judgment could be formed."

CLINTON ROGERS WOODRUFF
Philadelphia

WOLFENDEN, HUGH H. *The Real Meaning of Social Insurance*. Pp. xiv, 227. Toronto: Macmillan Company of Canada, 1932. \$2.00.

Under this somewhat ambitious title, Mr. Wolfenden presents a report to the Executive Committee of the Canadian Life Officers' Association, but this official *cachet* should not scare off the general reader. He has in fact contributed the only description and analysis of the whole field of social insurance that has appeared in America since the War. He places principal emphasis on health and unemployment insurance, undoubtedly because in Canada and the United States both are still in the experimental stage; there is also material on workmen's compensation, old-age and other pensions, and mothers' allowances.

First comes a brief review of the history of these insurances and of the features of

existing plans; then Wolfenden gets to the reason for his book—an inquiry into "the real meaning of social insurance." Here he marshals the arguments for and against public health and unemployment insurance, and the possibilities of alternate programs. Many of these arguments are *a priori*, and none are new, but the summary provides an excellent short-cut for the general reader. The book is compact, simply written, and amply documented. One wishes only that footnotes had been used to designate sources and (deplorable omission) an index added.

One's opinion as to the ultimate truth on this important matter will depend principally on one's background and social philosophy. Wolfenden decides against both health and unemployment insurance, though he tolerates the latter as subordinate to international planning and private saving. For the health hazard should be provided such safeguards as comprehensive sickness registration, periodic health examinations, better housing, more intensive regulation of the medical profession, and greater development of voluntary insurance.

Without questioning either Wolfenden's good faith or the accuracy of much of the argument he launches against public insurance, the socially minded person can only despair at this latest offer of the counsel of perfection. This person might even deny the perfection: that the principal causes of the unemployment hazard, for example, are "world-wide economic maladjustments" and failure to save, which these proposals imply. Comparison between perfection and projected social insurances must always give the victory to perfection. The trouble is that the victory is not social but rhetorical, and between social insurance projects and Paradise, society is all too likely to fall between two stools and get neither.

C. A. KULP
University of Pennsylvania

NATIONAL INDUSTRIAL CONFERENCE BOARD, INC. *The Banking Situation in the United States*. Pp. xiv, 157. New York, 1932. \$3.00.

This small book, written by the Board's staff, presents statistically and graphically

the essential developments in banking in recent years. The decline in total banks, the disturbing increase in investment functions at the expense of commercial loans, the growth of group banking, the extraordinary depression-wrought mortality, and other phenomena are portrayed with the clarity achieved by statistical presentation. The compact and simple form of the data, obtainable elsewhere only from scattered sources, will make the book widely useful to all students of our banking problem. It may be overstatistical for the general reader.

The four long statistical chapters are followed by a brief and pithy review which wisely avoids specific recommendations but clearly suggests branch banking, reduction in total banks, and universal Federal Reserve membership. Defenders of State banking and the independent country bank will get scant comfort from the book. Although "not written primarily for the information of bankers," it could be read with profit by the entire fraternity. The statistics do not and cannot show the degree of responsibility for the present economic paralysis that lies at the doors of the banks, but they do reveal poignantly their incapacity to cope with the crisis when it arrived.

NEIL CAROTHERS

Lehigh University

BERGLUND, ABRAHAM. *Ocean Transportation*. Pp. x, 432. New York: Longmans, Green & Company, 1931. \$4.00.

Professor Berglund has written a very interesting and timely volume on carriage by water. It differs materially from the majority of texts on the subject because it is largely a factual presentation, with less discussion than might be expected. The interest of the average reader and the reference value will probably be increased thereby.

The chapters dealing with construction, operating costs, and subsidies emphasize the comparative advantage enjoyed by most foreign operators over American-flag companies. At a time when the shipping industry in all countries faces staggering losses, the government attitude, at home and abroad, is of utmost importance.

Professor Berglund points out the fallacies of many plans of subsidization, and supplies examples of past failures of efforts to create a merchant marine where none was necessary.

Perhaps intentionally, a detailed discussion of legislation is omitted, although mention is made of the more important United States statutes.

ARNOLD K. HENRY

University of Pennsylvania

SOUTH MANCHURIA RAILWAY. *Third Report on Progress in Manchuria, 1907-32*. Pp. vii, 235. Dairen, 1932.

The twenty-fifth anniversary number of this report that has appeared annually for three years is, like its predecessors, a valuable reference source on this disturbed area of the Far East. Compiled in the manner of yearbooks, the bulk of the report is devoted to economic and social affairs, supported by available statistics. Political matters are also covered. While economics is treated as factually as possible, politics is presented largely from the Japanese point of view. Both historical and current aspects are reported. Attention is not confined to the Kwantung Leased Territory nor to the Railway Zone, but all of Manchuria—Chinese, Russian, and Japanese—is covered.

The appendices contain the texts of various documents issued and exchanged by the different governments and by the League of Nations in connection with the Manchurian incident of September 1931. Maps, illustrations, and an index add to the usefulness of the report.

ROLAND L. KRAMER

University of Pennsylvania

GEMMILL, PAUL F., and associates. *Contemporary Economic Problems*. Pp. xv, 673. New York: Harper & Brothers, 1932. \$3.00.

This is not a book of economic principles, nor an ordinary collection of readings, but a book of economic essays, the work of Professor Gemmill and his associates at the University of Pennsylvania. It covers most of the economic problems that are treated in the usual economics text, classified into problems of economic stability,

labor, finance, business enterprise, international economics, and social waste. Labor problems, business cycles, the agricultural problem, international trade, and economic waste are treated with particular fullness, while little attention is given to value and distribution or to economic reform.

Such essays as these do not of course possess the authoritative significance of some readings that could have been found in the entire literature of economics; but on the other hand the book has greater unity than any book of readings, and most of the essays represent a study of a fairly wide variety of sources. They offer a wealth of information, well written.

One of the best features of this book is the fine attitude of open-minded liberalism shown in the discussion of such problems as economic insecurity, inequality, and government intervention. One may regret the omission of chapters on socialism and on the Russian scheme, but the discussion of the capitalist system is generally critical and progressive.

Contemporary Economic Problems will serve excellently in connection with any text which deals mainly with theoretical economics—Johnson, Cassel, Rufener, Hayes, Curtis, H. G. Brown, Bye, Taylor, Garver and Hansen, Deibler, or indeed Gemmill's *Fundamentals of Economics*. The last-mentioned combination will doubtless be used extensively—and profitably.

JOHN ISE

University of Kansas

OLIVER, JOHN RATHBONE. *Psychiatry and Mental Health*. Pp. xiv, 330. New York: Charles Scribner's Sons, 1932. \$2.75.

DAVIS, ROLAND CLARK. *Ability in Social and Racial Classes*. Pp. xiv, 114. New York: The Century Company, 1932. \$1.75.

WARDEN, CARL J. *The Evolution of Human Behavior*. Pp. ix, 248. New York: Macmillan Company, 1932. \$3.00.

LINK, HENRY C. *The New Psychology of Selling and Advertising*. Pp. xxiii, 293. New York: The Macmillan Company, 1932. \$3.00.

Dr. Oliver has written a guidebook on mental health, in its clinical manifestations,

directly for the minister or the social worker. Several such books are limited to pointing out the importance of considering mental hygiene in social problems, but *Psychiatry and Mental Health* starts where they leave off, and describes the mental maladies that are likely to be encountered, the probable causation of them, and practical mental hygienic procedures. The book is sound and up-to-date, without too much Freudian emphasis. Originally a series of lectures at the Western Theological Seminary for embryonic ministers, the book should be of great practical help to all workers who are brought into contact with the necessity of adjusting human relations.

Ability in Social and Racial Classes is not a book, but a study made under the sponsorship of the Institute for Research in the Social Sciences at the University of Virginia. Assuming that sometime in the future there may be definite attempts to regulate life and institutions on the basis of the relative ability of individuals, this work is of considerable importance. At any rate, the approach the experimenter uses through the relation between psychological abilities and physical structure or function is relatively unworked, and, from his results, appears promising. He finds that biological variations, broadly conceived, are related to mental ability (intelligence?). He also finds that the favorable biological variations are not distributed equally among the groups he studied. City and urban, white and Negro, young and old are not equally favored. The complicated technical material in the middle of the book may be neglected by the average reader—and probably will be—but the average reader with social interests will find the remainder of the book interesting and stimulating.

Paralleling a presentation of the general lines of organic evolution, Dr. Warden emphasizes mental aspects of the evolutionary processes and trends. His book gains almost unique value from this approach, but it is to be regretted that the factual material available on the development of behavior as contrasted with structure is not more complete. Of most factual value to readers of *THE ANNALS* is the chapter on "Race and civilization"; of most stimulation, the closing chapter on "Present trends

in evolution." The development of social structure is interwoven with the other materials in the book, which finds evolutionary processes as evident in their operation now as they were centuries ago.

We are thankful that Dr. Link's book indicates that the new psychology is not all Freudian and psychoanalytic. But we do wish his new psychology had been a bit clearer and a bit more plainly psychology. The consumer survey or market survey which has been long in use by both economists and business men is the theme of this book, but is given a lamentably cursory treatment. The author's actual work at Lord and Taylor's is vastly superior to the book, which carefully shuns drawing on any of this practical work, instead drawing largely upon surveys made by the Psychological Corporation, which do not reveal either the psychological analysis or the technique of which the author himself is capable.

DONALD A. LAIRD

Colgate University

KULISCHER, ALEXANDER and EUGEN.

Kriegs- und Wanderzüge: Weltgeschichte als Völkerbewegung. Pp. viii, 230. Berlin and Leipzig: Walter de Gruyter & Company, 1932. Paper, RM 17; cloth RM geb. 18.50.

HEIDER, WERNER. *Die Geschichtslehre von Karl Marx.* Pp. viii, 201. Stuttgart and Berlin: J. G. Cotta'sche Buchhandlung Nachfolger, 1931. Paper, RM 9.50.

FETZELT, ERNA. *Die fränkische Kultur und der Islam.* Pp. 244. Baden-Vienna-Leipzig-Brunn: Verlag Rudolf M. Rohrer, 1932.

THOMAS, BERTRAM. *Arabia Felix.* Pp. xix, 397. New York: Charles Scribner's Sons, 1932. \$5.00.

HEDDIN, SVEN. *Across the Gobi Desert.* Pp. xxii, 402. New York: E. P. Dutton & Company, 1932. \$5.00.

MARTIN, ALFRED VON. *Soziologie der Renaissance: zur Physiognomik und Rhythmik bürgerlicher Kultur.* Pp. xii, 135. Stuttgart: Ferdinand Enke Verlag, 1932. Paper, RM 5; cloth, RM 6.50.

MEUTER, HANNA. *Heimlosigkeit und Familienleben: Allgemeine Untersuchung.*

Eberswalde-Berlin: Verlagsgesellschaft R. Müller mbH., 1932. Paper RM 4.

SCHÄIDNAGL, VENTUR. *Heimlose Männer: Einzeluntersuchung.* Eberswalde-Berlin: Verlagsgesellschaft R. Müller mbH., 1932. Paper, RM 3.90.

KASSNER, RUDOLF. *Der Einzelne und der Kollektivismensch.* Pp. 41. Bern and Leipzig: Gotthelf-Verlag, 1932. Paper, RM 19.

The problem of the sources of social change, of the dynamics of history, of the "laws" of social evolution, and, in popular parlance, of the nature and meaning of progress, is always well in the foreground of sociological interest. And not only of sociological interest, if current definitions of the scope of academic sociology are granted validity: the historian, the political scientist—in fact, social scientists in general—can never entirely avoid raising such questions, even though their answers are implicit rather than explicit.

Beginning at least as early as the time of Herodotus, various writers have regarded population movements, in one or another form, as the prime movers of social change; and of recent years the "mobility" theorists have revived many of the older doctrines. Unfortunately, the notion of mobility has been loosely defined and carelessly used, so that at the present time it has become a magical word that "explains" almost everything, and hence *really* explains next to nothing. What we need are monographic studies, historically adequate, of the migrations of pastoral nomads, of early trading peoples, of great invasions, of journeys of exploration, of "the rural exodus," of modern urban mobility, of the wanderings of the homeless—in short, a wide range of culture case studies that will give us a more stable basis upon which to generalize.

The Kulischers' study is a splendid example of a preliminary survey of one part of the field. First comes a theoretical chapter entitled "The Mechanics of Migration," in which the blind, uncontrollable character of all early population movements is stressed, and in which the thesis that "all history is at bottom the history of migrations" is advanced. Second is an excellent chapter on the martial and pacific migrations of various peoples of Asia, North

Africa, and Europe, with special attention to the movements of the Islamic conquerors—Arabs, Berbers, Turks, and so on. (Two good maps of Arabian expansion aid the comprehension of the text.) Third is a somewhat less satisfactory chapter on Swedish, Polish, Russian, and Chinese movements and counter-movements; too many theses insufficiently supported by intensive factual study and analysis are advanced. Nevertheless, the chapter will be found quite suggestive. Fourth, an original point of view concerning the ultimate causes of the World War is set forth: the position is that the conflict was basically due to the state of unstable equilibrium generated by the phenomenal population increase of the nineteenth century. Although perhaps extreme, the theory advanced merits the close attention of every one interested in the antecedents of the Great Catastrophe.

In contrast to the concrete and vivid treatise just discussed, Heider's exposition of the Marxian theory of history seems a bit flat. It is a careful study, taking into account writings by Marx and Engels that have only recently come to light; but its pedestrian style and the dialectic terminology imposed by the nature of the topic give it a scholastic, logomachic flavor that only the interest of the specialist can overcome. Moreover, too much stress is laid on "immanent laws" of social evolution, and too little on the intrusive factors introduced by population movements.

Fortunately, historians have not permitted themselves to be jammed into the strait-jacket of "Hegelianism standing on its head." Patzelt's study of the relations of the Frankish and Islamic migrations is an outstanding instance of the kind of historical study usable by the sociologist. The point of departure is Pirenne's theory that until the time of the Carolingians the history of Europe was the history of Mediterranean culture, and that not until the invasions of Islam did the importance of the Roman heritage wane. Charlemagne, says Pirenne, is incomprehensible without Mohammed. Moreover, the break-up of the economic unity of the Mediterranean area by the Islamic incursion meant that Charlemagne and his successors reigned

over a slowly deteriorating realm; the urban culture of the South was replaced by the agrarian culture of the North, and economic stagnation ensued. Patzelt attacks this thesis, and maintains that the empire of Charlemagne was a genuine advance in the development of European civilization. In the course of refuting Pirenne's thesis (in which he is not wholly successful), Patzelt adduces highly valuable data concerning the Great Migrations, and for this alone the book is worth reading. Its one conspicuous blemish is its polemic tone and its obvious bias in favor of Germanic as over against Romance culture.

When one realizes that the Islamic conquests occurred within little more than half a century, it is only natural to speculate on the martial qualities of the Arabic vanguard. Thomas's book, the story of the journey of a lone Englishman through the last great unexplored waste of Arabia, is more than a mere traveler's yarn, although its entertainment value is high. His account of the Arabian nomads and their way of life adds one more confirmation to the theory of Ibn Khaldūn: namely, that the fighting efficiency of the desert dweller is directly traceable to his way of life and the hardihood and *esprit de corps* it engenders. Thomas adds nothing essentially new to the tales of William de Rubruquis, Ibn Khaldūn, Zwemer, Burckhardt, Doughty, Burton, and Lawrence, but as a record of high adventure and sociological insight it will probably endure. As an account of a journey of exploration it suffers from the fact that one man, however able, cannot do everything.

The record of Sven Hedin's expedition across the Gobi Desert should, it would seem, contain much more information about the nomadic way of life, for over a score of European and Chinese scholars participated; but with incomprehensible shortsightedness, not a single ethnographer was included. Paleontologists and other allies of the social scientist there were in plenty, but no anthropological field workers. For this reason Hedin's story is disappointing; although he accomplished a great deal, he might have done much more. One discovery of considerable sociological interest there was, however: Hedin discovered that

Lake Lop, once the mainstay of a flourishing town on the great trade route across Asia, has returned to its old basin, thus establishing the theory that it has alternately facilitated and discouraged travel between East and West in cycles of about 1,600 years. In the light of this startling discovery, Huntington's "Pulse of Asia" is both corroborated and challenged, and Ujfalvy's theory that "Rome fell because the Chinese built a wall" is similarly strengthened and placed in need of revision. All in all, however, it must be said that Hedin's book is of more interest to the natural than to the social scientist.

If Hedin had paid more attention to the Mongols, and the Kurds, we might have learned more about the truth or falsity of the stories told by Marco Polo and other great travelers of the early commercial revolution. Unfortunately, Martin's book on the sociology of the Renaissance is similarly lacking in information about Italian contacts in the Levant and along the overland trade routes. One must not ask for too much, however, for Martin has crowded between the covers of his little volume one of the best analyses of the proximate antecedents and the social concomitants of the Renaissance that can be found in the literature. Interestingly enough, he defends Burckhardt against the charges of obsolescence or obsolescence that have recently been leveled against him: to Martin, *The Culture of the Renaissance in Italy* is still the greatest treatise in the field. Martin himself has come as near to challenging Burckhardt's supremacy as at present seems possible; in fact, the reviewer feels that so far as a strictly sociological analysis is concerned, Burckhardt has been surpassed.

It seems a far cry from the journeys of the Age of Discovery and the peregrinations of the Renaissance factors and merchants to the wanderings of homeless men and women in our modern industrial world—and it is. Nothing is gained by lumping under one sacred word, "mobility," the whole varicolored diversity of human population movements. In addition to being excellent concrete studies of homelessness in the industrial Rhineland, the brochures by Meuter and Schaidnagl clearly demonstrate the necessity for taking the entire social

context into account when studying population movements. After all, the sociologist should by this time have grasped the idea that person and group are but differing aspects of the same phenomenon, and that mutations in one cannot be understood without taking the other into account.

In fact, even the social philosopher should by this time have become aware of the futility of such antitheses as "individual versus society," et cetera. Unfortunately, Kassner's little pamphlet provides plenty of evidence to show that at least one social philosopher is still in the grip of the old dichotomies. If he and others like him could only realize that neat patterns "explaining" once and for all the relations of "individual" and "society" are disastrously disrupted every time one of their abstract individuals changes his social setting by migrating, less nonsense might be written and printed. But who can bind the beams of Luna? And who shall minister to the moonstruck?

HOWARD BECKER

Smith College

DUPRAT, G. L., and others. *Gründer der Soziologie*. Pp. 158. Jena: Gustav Fischer, 1932. Paper, RM 7.50.

This collection of lectures may in a sense be regarded as a memorial for Albert Schäffle, the centenary of whose birth occurred in February 1932, for the two opening lectures deal with him as sociologist and as social economist.

Nevertheless, the book contains much more than analyses of Schäffle's work: Freyer's beautifully written discussion of the Romantic influence in German sociology; Duprat's keen comparison of Comte and Durkheim; Meusel's fanfare summoning sociologists to recognition of Marx as one of the greatest of sociological systematists; and Marianne Weber's surprisingly objective biographical sketch of that mental Colossus, her deceased husband Max Weber.

All sociologists really interested in the history of their discipline should have this book on their shelves—but how many are really interested?

HOWARD BECKER

Smith College

BREYSIG, KURT. *Vom deutschen Geist und seiner Wesensart*. Pp. 290. Stuttgart and Berlin: J. G. Cotta'sche Buchhandlung Nachfolger, 1932. RM 5.80.

In this book one of the greatest of Germany's historical sociologists (or sociological historians) sets forth his national confession of faith. It is an attempt to find "the eternal German"—to discover in the maze of historical events the golden thread of the German *Geist*.

Beautifully written, the book is a projection of the finest traits of Breysig's own mighty heart and mind rather than a historical or sociological treatise, and only those deeply dyed with German culture will be able to understand it as a whole. Nevertheless, the section entitled "An Adventure in the Art of War," pages 159 to 214, can be fairly well comprehended without reading the rest, and students of the history of the Great War can thereby acquaint themselves with a highly original and suggestive discussion of that catastrophe.

HOWARD BECKER

Smith College

HOLMES, ROY HINMAN. *Rural Sociology: The Family-Farm Institution*. Pp. xiii, 416. New York and London: McGraw-Hill Book Company, Inc., 1932. \$3.00.

This book by Professor Holmes of Michigan University proposes a sociological system based upon the excellent idea of the typological concept of rural life as a family-farm institution. However, the author soon leaves his stated purpose behind and furnishes a book of social problems similar to many others. It is to be evaluated as an introductory college text based entirely upon an American background. In this respect it strikes a fair average, being better than some and worse than others. In some ways the book is striking, and in others it is extremely disappointing. It is very usable as a text for many introductory courses.

CARLE C. ZIMMERMAN

Harvard University

WATERMAN, WILLOUGHBY CYRUS. *Prostitution and Its Repression in New York*

City, 1900-1931. Pp. 164. New York: Columbia University Press, 1932. \$3.00.

Here is an excellent example of detachment in the treatment of social questions: even the 1931 revelations of police blackmail (unexpected result of repression) fail to raise the printed pulse a single beat. Police and court records, and records of the Committee of Fourteen and other interested voluntary organizations provide the data, centering almost entirely on Manhattan.

Conclusions, stated with necessary tentativeness, are: the police district squad proved more effective than a special service squad operating from central headquarters; voluntary organizations accomplish more by coöperating with the police, as does the Committee of Fourteen, than by attempting actual enforcement; the old alliance of alcohol and prostitution persists; repression as carried out in New York has almost ended open prostitution and forced exploiters to new tactics.

DAVID K. BRUNER

University of Pennsylvania

WASHBURN, CARLETON. *Remakers of Mankind*. New York: The John Day Company, 1932. 339 pages.

Here is a record of an educational Odyssey to Japan, China, India, Turkey, Iraq, Syria, Egypt, the Soviet Union, Poland, Germany, France, England, and back to the United States: all of which took place, December 1930-1931. The basic material of the book is drawn from interviews with folk prominent in the official educational and political circles. In the main, the author sought information and opinion bearing on education purposes. What are the goals of the several nations? Are they "antagonistic, complementary and harmonious, or identical?"

Specifically, officials were asked concerning their attitude towards: the use of schools to perpetuate a given form of society; the stress on nationalistic versus international education; duty to the state versus duty to one's conscience; the teaching of true versus patriotic history; freedom of teachers and pupils in dealing with controversial questions; indoctrination; paidocentric versus subject-matter empha-

s.s in curriculum making; and mental hygiene.

As might be expected, great variation of opinion was found: in place of unity of purpose and coördination of efforts throughout the world towards a consciously selected goal, the educational scene is marked by sharp clashes which reflect the varied political, economic, social, and religious biases which inevitably condition the educational process.

Due to the subject, the method of study, and the limited character of sources, the book is suggestive rather than conclusive; it will satisfy the general reader, but leave the hunger of the scholar unappeased.

THOMAS WOODY

University of Pennsylvania

KULP, DANIEL H., II. *Educational Sociology*. Pp xvi. 604. New York: Longmans, Green & Company, 1932. \$3.50.

This work, essentially a restatement of sociological principles for prospective teachers, is done in so competent a fashion that it may well contribute to the thinking of specialists. The concise summary of social psychology is particularly good. The section on collective behavior in school life is excellent, but perhaps misnamed, inasmuch as there is little discussion of collective behavior in the school. There is a section devoted principally to social problems, and a section on the methods and history of sociology. The book moves toward an educational sociology which will represent a thoroughgoing application of sociological concepts to the analysis of social interaction in the schools. Yet it does not seem unjust to say that educational sociology as Kulp has rendered it remains sociology for teachers.

A master of curt statement, Professor Kulp has produced a compact but readable book. A liberal, he sometimes expresses his literal sentiments with telling force, sometimes with beautiful indirection. The book abounds in telling phrases, and bristles with thought-provoking questions. It should find many readers.

WILLARD WALLER

Pennsylvania State College

BERGSON, HENRI. *Les deux sources de la morale et de la religion*. Pp. 346. Paris: Felix Alcan, 1932. 25 francs.

WAGNER, FRIEDRICH. *Geschichte des Sittlichkeitsbegriffes*. Vol. I, "Der Sittlichkeitsbegriff in der antiken Ethik," pp. vii, 187; vol. II, "Der Sittlichkeitsbegriff in der Hl. Schrift und in der altchristlichen Ethik," pp. vii, 280. Münster in Westfalen: Aschendorffsche Verlagsbuchhandlung, 1928-31. Paper, RM 7.15 and 12.96.

Like many philosophers, Bergson cuts all his doctrines to the same fundamental pattern. The present discussion of "the two sources of morality and religion" is based on the familiar old dichotomies of intelligence versus intuition, mechanism versus freedom, and blind chance versus creative evolution. Those familiar with his earlier writings need not pay much attention to this latest product, and those whose professional interests have not already led them to examine the earlier writings may spare themselves the trouble of studying any of them, early or late. M. Bergson's gift of eloquence has been responsible for the perpetration of much high-sounding nonsense.

Wagner's history of the concept of morality is an interesting exhibit of Catholic scholarship. It is sober and fair-minded, even where it most vigorously differs from the codes under examination. Specialists in the field will probably find it useful for the Classical and Patristic periods. Pre-literate data are conspicuous by their absence—page Westermarck and his "Ethical Relativity"!

HOWARD BECKER

Smith College

SHRYOCK, JOHN K. *The Origin and Development of the State Cult of Confucius*. Pp. 320. New York: The Century Company, 1932. \$4.00.

We have here, succinctly outlined, the vicissitudes of the Confucian cult in every period of Chinese history. It is more than a study of Confucian state-worship, it is in reality a history of China with the state philosophy and ritual placed in the foreground. The work has therefore a wider usefulness than the title suggests.

Despite inescapable slips in detail, the data are for the most part reliable, and the interpretation convincing. Adequate and illuminating notes follow each chapter, with important names and titles of books in Chinese characters as well as in romanized script. It is unfortunate, however, that in the matter of romanization the author has followed his own system, which is confusing to one who is better acquainted with other systems. The Appendix contains a complete list of the tablets in the Confucian temple, interesting comments on each name, and the exact date on which it was entered. For the writing of this book the author utilized every important European source, and not a few Chinese sources hitherto untranslated.

ARTHUR W. HUMMEL

Washington, D. C.

FORTUNE, R. F. (Introduction by B. Malinowski.) *Sorcerers of Dobu*. Pp. xxviii, 318. New York: E. P. Dutton & Company, Inc., 1932. \$5.00.

In *Sorcerers of Dobu*, Dr. Fortune gives a vivid presentation of native life on a small island in Melanesia. Living among the natives, speaking their language, he observed their life with a trained eye. He watched their gardening, trading, love making, dying, ambitions, hates, jealousies, and above all and running through all, their fear of witchcraft and sorcery. It is this varied material which he gives, not "knocked down and shipped" as so many curious bits of information, but assembled so that one can see how the community functions; how fear of witchcraft influences the marital group and how this group influences witchcraft; how death affects gardening and gardening affects trading.

The functional school of anthropology emphasizes the need for picturing the processes of interrelation of primitive groups. It is perhaps fitting that this excellent study of the Dobu contains an introduction by Dr. B. Malinowski, "god-father and standard bearer of the functional method" (p. xxiv)—a method also associated with the names of A. R. Radcliffe-Brown and others.

The analysis of the Dobuan dual family, with its rare feature of alternating residence

—a year in the father's, then a year in the mother's village—will prove stimulating and enlightening to specialists on the family.

ISABEL GORDON CARTER

Moylan, Pa.

HARTSHORNE, CHARLES, and WEISS, PAUL (Eds.). *Collected Papers of Charles Sanders Peirce*, Vol. II, *Elements of Logic*. Pp. xi, 535. Cambridge: Harvard University Press, 1932. \$6.00.

It is no news that logicians may be poor thinkers and that good thinkers may not be logicians. But for a first-rank logician like Peirce to write: "Clear as it seems to me that certain dicta of my conscience are unreasonable, and though I know it may very well be wrong, yet I trust to its authority emphatically rather than to any rationalistic morality"—that is news. Holding such a view, Peirce nevertheless thought logic of great importance. For, although we should "base our conduct as much as possible on Instinct," yet situations occur, complex situations, where reasoning is needed for successful eventuation. And logic is the science of right reasoning. Furthermore, practice in, though not mere acquaintance with, good logic should improve the quality of thinking.

This volume, of interest primarily to logicians, is, in an introductory fourth part, good reading for any one who thinks about thinking. There are here revealed the thoughts of a master mind (Peirce is commonly so acclaimed) on the nature of logic and its relation to instinct and to other disciplines of thought; e.g., its priority over metaphysics, and its subordination to mathematics and even, if we accept Peirce's insight, to ethics and aesthetics.

Eight more volumes are in prospect.

L. M. PAPE

University of Chicago

JOAD, C. E. M. *Philosophical Aspects of Modern Science*. Pp. 344. New York: Macmillan Company, 1932. \$3.75.

This book was conceived in wrath at the idealistic and monistic philosophies of science being put forth by scientists such as Eddington, Jeans, and even Russell. The burden of the argument is that all the good

work done by recent realism has been mistakenly disregarded. The main motive is the jeopardy to values through their loss of independence under monistic idealism. Values, for Joad, find validation only in a realistic and pluralistic world. They are to be contemplated, not had. They are not created but discovered.

The new idealism arises from the new theories of matter. The world of science, which was once a world of inert matter and gave rise to materialism, is now a world of formulæ, pointer-readings; in other words, thought-constructs. But to admit the mind's participation in the construction of reality is eventually to make mind the whole hog. It leads, moreover, to the ultimate denial of the reality of the ordinary sense world, even of the world of scientific objects: they are appearances only.

Joad insists that monism is self-defeating, for it rests upon the distinction between appearance and reality, and yet is denied by the very existence of appearances. Similarly, idealism is a huge paradox, presupposing in its proof what in the end it denies, viz., the everyday world.

L. M. PAPE

University of Chicago

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